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In East Europe, Crime As the 'Price of Freedom' Muggings and Burglaries in Moscow Bring a Run on Steel Doors and Mace

By Margaret Shapiro Washington Post Service MOSCOW — At the Yarus cooperative, crime does pay. The company began selling reinforced, burglar-proof steel doors six months ago and now cannot keep up with demand.

After decades of one of the lowest crime rates around — a positive side of an authoritarian system backed by omnipresent policemen — crime is on the rise, aggravated by declining economic conditions and a general feeling of political confusion.

Art Theft Is Stripping Czechoslovakia Of Religious and Cultural Treasures

By Mary Battista Washington Post Service PRAGUE — The Pietà would not fit into the car, so the thieves sawed Jesus' legs off.

The Madonna of Miraculous Powers disappeared through a tunnel dug under church walls. And no one knows exactly what befell the 15th-century statue of St. Ludmila.

One day the little linden-wood figure was on exhibit in Svikov Castle in Bohemia. The next morning, it, too, was gone.

Art theft and smuggling are on the rise across Eastern Europe, Czechoslovakia, Eastern Germany and Poland, with their rich, unprotected museums and churches and low-paid customs guards, are easy targets.

safety of the Communist world over the decadent, crime-ridden West, now are filled with stories about murders, car thefts, drug transactions and apartment ransackings here. They regularly feature columns on self-defense; the mass weekly Argumenty i Fakty ran a column this week on how to use mace against attackers.

But in the last six months, Moscow has been treated to a Mafia-style shoot-out at a restaurant, the killing of a policeman by several men who wanted his car, a rash of muggings by bands of children, several gang slayings, repeated vandalism of cars and around foreigners-only compounds and the kidnapping of foreign businessmen by disgruntled local employees in wage disputes.

Police officials say they expect the situation to worsen as the economy deteriorates further, inflaming emotions and creating a

worth of carved Madonnas, baroque altar paintings, gilded chaises, chalices, icons, 14th-century atlases, furniture, even gravestones. In towns like Sedlec in Kutná Hora, near Prague, entire churches have been cleaned out.

"At this rate, there will be nothing left," Daniela Vokolkova, senior art historian at the federal Ministry of Culture, said. "We are desperate."

"It started in the churches, and now it has spread to galleries and museums," the art historian said. "No little country like ours can withstand this kind of plunder."

Surprisingly, the revolution of 1989, led by a playwright, president and aided by actors and artists, is accomplishing what four decades of official Communist hostility



Two Prague women were among thousands of citizens who on Thursday protested the signing of what they called "a second Munich."

Prague Accord Undoes Some of Munich

By John Tagliabue New York Times Service PRAGUE — Chancellor Helmut Kohl of Germany and President Vaclav Havel of Czechoslovakia signed a treaty Thursday aimed at laying to rest the ghost of the 1938 Munich agreement, which led to Nazi Germany's dismemberment of Czechoslovakia.

But both leaders acknowledged that the treaty failed to tackle one of the most contentious issues dividing their nations.

The ceremony, which took place in the glittering Spanish Hall of the Prague Castle, opened a new chapter in German-Czechoslovak relations, in which the most important issues will be economic, not political.

The principal gain for Prague from the treaty appeared to be Germany's unqualified support for Czechoslovakia's entry into the European Community.

For Bonn, the major success is the inclusion of the terms "expulsion" and "act of force" to describe the removal of millions of Germans from western Czechoslovakia after World War II.

The departure of the Germans was in part a consequence of the 1945 Potsdam Agreement, which approved a "humane and orderly transfer" of the Germans from regions they had inhabited for generations.

But the new treaty on neighborhood relations and friendship does not address the question of compensation for those Germans who lost

property, nor that of Czechoslovakia's claims against Germany for human and material damage suffered in the war.

Chancellor Kohl strongly urged Prague, "with a view to your sought-after membership in the European Community," to enact legislation "as quickly as possible" to facilitate the settlement of foreigners, including Germans, in Czechoslovakia.

"I think we have stood over too many graves in this century, and shed too many tears," Mr. Kohl said. "In this way I understand our assistance to your country on its path to Europe."

President Havel, responding at a news conference, said: "As quickly as Czechoslovakia is able to open to Europe, and as quickly as we are

KLM and BA Give Up Plan To Combine Operations

But Attempts to Merge Airlines Within Europe Are Expected to Go On

By Erik Ipsen LONDON — Long-running talks between KLM Royal Dutch Airlines and British Airways to form the world's fourth-largest airline have collapsed, the companies said Thursday.

Analysts said the failure merely delayed rather than ended the prospect of European airlines grouping into carriers capable of competing with those of Asia and the United States.

"Today's announcement is not the end of the story," said Paolo Pezzini, an airline industry consultant with SRI International in London. "All European airlines will still very much feel the need to agglomerate themselves."

The end of the talks came over disagreements about the relative values of the two airlines and thus their shares in the new combination. British Airways reportedly insisted that KLM have no more than a 30 percent stake in a proposed holding company, while KLM held out for 40 percent.

"We think KLM was not well valued," said Pieter Bouw, KLM's chairman. Although airline specialists may disagree on the value of specific European carriers, they are unanimous in seeing not only the value but also the inevitability of the airlines' getting together to survive competition from North America and the Asia-Pacific region.

The deregulation of European airlines, scheduled for next year, makes such steps much easier. Tim Coombes, an analyst with County NatWest Wood Mackenzie in London, pointed to the American experience with deregulation. "They had 200 airlines before deregulation," he said, "and now just five control 95 percent of the market."

For Europe's large carriers, that experience conveys a message of both inspiration and foreboding according to industry observers. In the American experience, the largest and most successful carriers became more so when regulations were eased.

Now it is these vast American carriers that pose the main threat to the biggest of Europe's airlines, which remain relatively small compared with giants like American Airlines, United Airlines and Delta Air Lines.

"The U.S. airlines have a consumer base of 200 million customers to feed into their international routes," Mr. Pezzini said. He contrasted that with the status quo in Europe, where no carrier has a base beyond its domestic market, much less an effective continent-wide network.

British Airways had a 13.2 percent share of the European market. KLM had only a 2.6 percent slice. "Together they would have been by far the largest airline in Europe, but they still would have been smaller than the Big Three in the U.S.," said Rod Gloagans, an analyst with the brokerage firm Van Meeer Jacobs Capel in Amsterdam.

The advantages of combinations in the fragmented European market were evident in the attempted KLM-British Airways link-up. Analysts had estimated that it would have enabled the airlines to cut as much as \$500 million (\$870 million) in costs.

Analysts had expected significant savings flowing from the merger, which would have consolidated everything from aircraft maintenance facilities to ticket and reservation offices. Then, too, as the fourth-largest carrier in the world, the merged company would presumably have had improved clout in negotiating the purchase of airplanes and parts.

"There are real economies of scale to be had in this industry," said a spokesman for the International Air Transport Association in Geneva. "It pays to be able to do such things as order planes 100 or 200 at a time instead of 10 or 12."

Absent those cost savings and vast feeder networks, the future of the smaller European carriers such as KLM, TAP Air Portugal, Austrian Airlines, Finnair, Olympic Airways, Alitalia Airlines and Sabena Belgian World Airlines looks cloudy according to the analysts. Even the larger airlines, such as Lufthansa German Airlines, Air France and British Airways, face difficult times, and they are taking steps to address this.

Lufthansa has taken over Interflug, the former East German carrier, while Air France in 1990 took over the smaller French carriers Union de Transports Aériens and now controls 97 percent of its home market. Crucially, Air France is also in negotiations to take a minority holding in Sabena of Belgium.

"British Airways is a bit behind," Mr. Coombes said. It is not for lack of effort. British Airways attempted to take a stake in United Airlines in 1985, and last year tried to buy into Sabena. A link with KLM would have offered it not only a much needed continental hub in the form of Amsterdam's Schiphol Airport, but also an

RUN AD? FIRST.

Gadhafi Defies West on Training Camps for Terrorists, U.S. Asserts

By George Lardner Jr. and John M. Goshko Washington Post Service WASHINGTON — Colonel Moammar Gadhafi, the Libyan leader, is still operating at least five terrorist training camps and has made only "cosmetic" concessions to Western demands that he get out of the terrorism business, according to U.S. officials.

Consequently, the Bush administration has begun lobbying the United Nations to impose economic sanctions against Libya that U.S. officials hope would stay in force even if Colonel Gadhafi surrenders the Libyan agents sus-

pected in midair bombings of two Western jetliners several years ago. The officials said the administration was not seeking Colonel Gadhafi's removal and had no immediate plans to attack Libya militarily if

France issues warrants for four members of the Abu Nidal group in '88 ship attack. Page 5.

Colonel Gadhafi failed to comply with UN demands. In interviews, the officials said the administration believed it could build on the diplomatic momentum of charges tying Libya to the bombings of a Pan American World Airways flight in

1983 and a French UTA flight in 1989 to invigorate a decade-long campaign to force an end to Colonel Gadhafi's 22-year history of instigating, bankrolling and giving haven to terrorists.

An official said Colonel Gadhafi "has been making a strong effort to hide his hand" in terrorism since November, when two Libyan intelligence officers were indicted in the United States and Britain for the Pan Am bombing.

For instance, Colonel Gadhafi closed five large terrorist training camps publicly identified by the State Department last November in a report on Libya. But a senior State Department official said Libya was keeping at least five other camps in operation.

"The terrorists in the camps that were closed were moved to other training facilities, ones that were not listed," said another administration official.

According to the State Department, the closed camps had been used to train members of the Abu Nidal organization Fatah Revolutionary Council, a radical group that is outside the structure of the Palestine Liberation Organization, as well as dissidents from Africa, Asia and Latin America and other Palestinian terrorist groups.

Abu Nidal's group, which the State Department considers "the most dangerous terrorist organization in existence," still has headquarters in Tripoli and continues to train terrorists

at other camps in the country, officials here said. While Libya has not been tied directly to any recent terrorist attacks, and while international terrorism generally has appeared to wane in recent months, U.S. officials said Colonel Gadhafi continued to provide training and funds to terrorist groups around the world, from radicals in the Philippines and Ireland.

One official said Colonel Gadhafi had scaled back relations with some terrorist groups — in some cases asking them to leave Libya — in hopes of reducing Western pressure. But, the

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President Bush is trying to shake enough hands on the campaign trail to shake off challenges from Democrats and a Republican. Mr. Bush was in San Antonio, Texas, where he met on Thursday with Latin American leaders to renew the war against drugs. Page 3.

Democrats, in Disarray, Plagued by Uncertainty

By Robin Toner New York Times Service WASHINGTON — Forget about all the neat scripts for an orderly Democratic primary campaign, from the "Triumphal March of the Early Front-Runner," starring Bill Clinton, to the "Unstoppable Surge of the New Hampshire Underdog," featuring Paul E. Tsongas.

The voters are involved now. The plot lines are messy. And the Democratic nomination is still very much up for grabs.

One sure sign was the rough new attack mounted by Senator Bob Kerrey in Georgia, where he took aim at Bill Clinton's draft record and his chances against President George Bush in the fall.

In the boldest attack yet in try to weaken Mr. Clinton, Mr. Kerrey said of the Arkansas governor, "I think he's going in get opened up like a soft peanut in November of 1992."

The South Dakota primary on Tuesday underscored this new competitiveness. It resuscitated Mr. Kerrey, who was in danger of fading after his sluggish performance in the earlier contests, and raised second thoughts about Mr. Tsongas, whose vote total barely broke into

double digits after a week of good press from his victory in New Hampshire. And Mr. Clinton, who was once expected to be well on his way to the nomination by now, has yet to win a primary or caucus.

Many Democrats continue to see him as the front-runner, if only because of the powerful

NEWS ANALYSIS advantage he gets from the primary schedule: in the next 12 days, contests will be held in 10 Southern or border states.

With Mr. Clinton's careful cultivation of the region, and his superior financial and organizational resources, he remains formidable.

Still, the accusations of marital infidelity and questions about whether he sought to avoid the draft during the Vietnam War may have moved off the front pages, but they may be lingering in the public's mind. A total of 32 percent of voters surveyed as they left polling places in South Dakota said they were not satisfied that he had "the honesty and integrity to serve

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A Feisty New Wrinkle in Reading for the Oldies

By Suzanne Cassidy New York Times Service LONDON — Its logo is a triangular British road sign that features two stooped senior citizens, one with a cane. It promises to "out" people who lie about their age. It hopes to be very politically incorrect and has started by calling itself The Oldie.

The Oldie, a new biweekly magazine, wants to be a sort of Rolling Stone for the graying set. Mixing humor and rant with serious reportage, it wants to do battle with the cult of youth. To borrow a phrase from Huey Lewis and the News, a rock music group featured in the magazine would have heard about, The Oldie wants to make it hip to be square.

"I call it hip replacement — putting hip into old," said

Emma Soames, formerly the editor of The Tatler, now deputy editor of The Oldie. Being an oldie, explained the publication's founder and editor, Richard Ingrams, is less a question of age than of state of mind. In an interview at the appropriately creaky central London building where The Oldie has its offices, Mr. Ingrams, 54, who previously was the editor of the naughty satirical Private Eye magazine for 23 years, cited Barbara Bush as a singularly "good oldie."

The first lady accepts her age and the body shape that has come with it, he said. President George Bush, on the other hand, is not in Mr. Ingrams's view an oldie, but, rather, "a ridiculous man, going jogging all the time and trying to keep fit, and falling down because he's trying to keep fit."

Britain's population is aging, but its oldies are under

siege, Mr. Ingrams said. Youth culture used to be confined to magazines like New Musical Express and The Face; now, he said, national newspapers and even the BBC seem "obsessed" with what Mr. Ingrams and others have mockingly termed "yoo."

The Independent newspaper, Mr. Ingrams said scornfully, devotes "two whole pages a week" to pop music. Even conservative newspapers like The Daily Telegraph, which once were "a haven from that sort of thing," have become preoccupied with "sex, rock music and health," he said.

Youth culture, Mr. Ingrams asserted, is not even a genuine culture. He believes that pop music, for instance, "has nothing to do with art; it's just a big racket." The

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Kiosk

UN Resolution on Cambodia Force

UNITED NATIONS, New York (AP) — The Security Council reached agreement Thursday on the text of a draft resolution to send a 22,000-strong peacekeeping force to Cambodia, a U.S. diplomat said. Delegates representing the 15 members of the council met privately to discuss the draft resolution authorizing the 16-month plan to end the civil war, which would cost \$1.9 billion and would be the largest peacekeeping operation in UN history.

The ambassadors scheduled a council meeting for Friday morning to approve the resolution formally. "The members of the council have agreed on the text, and they're all ready to go," said the U.S. ambassador, Thomas R. Pickering, who is chairman of the council this month.

General News

North Korea said no to early nuclear inspections. Page 2.

Leisure The China Club in Hong Kong is a favorite with the Chinese elite that will be running the place after 1997. Pages 8-9.

Table with exchange rates for Dollar, DM, Pound, Yen, and FF.

Exiled Iraqis Delay Uniting in Move to Overthrow Saddam

By Youssef M. Ibrahim
New York Times Service
RIYADH — Members of the Iraqi political opposition living in exile were unable to hold a substantive meeting in Saudi Arabia this week of the religious, secular and ethnic groups seeking to overthrow the government of President Saddam Hussein.

The failure underlines the ineffectiveness of the Iraqi opposition. The problem has been compounded by the systematic harsh repression, executions and liquidation pursued by Mr. Saddam against internal opponents over the last 20 years, a campaign that succeeded in marginalizing adversaries of the regime inside as well as outside the country.

Ayatollah Mohammed Bakr Hakim, a leading figure in the Shiite Muslim opposition, said: "We agreed that we have to agree. There should be a single leadership for the opposition."

"We need more time for the dialogue going on amongst us," he added.

Ayatollah Hakim, who lives in Iran, said that another attempt to unite the opposition will be made in March, possibly again in Riyadh. He said the various groups could attempt to select a "national assembly" from among the opposition forces.

The ayatollah expressed hope that such an assembly would in turn select a "leadership council" to direct resistance efforts.

But it was not evident that other noted opposition leaders, particularly those representing Kurds, agreed with this plan. And there was no commitment from Saudi Arabia to be the host of another meeting.

The leaders of two important Kurdish opposition groups, Masoud Barzani and Jalal Talibani, failed to show up for the gathering, although lower-ranking members of the Kurdish resistance attended.

Mr. Barzani, who met Wednesday with Prime Minister John Major in London, questioned the formation of an Iraqi government in exile, saying it would not satisfy Kurdish aspirations for autonomy.

Iraqi opposition groups had previously met in Damascus and Beirut. The Saudi government had been reluctant to have them meet

here except in small, individual groups, since the official position of the Saudi government is to oppose interference in the internal affairs of other Arab countries.

Privately, Saudi officials said their opposition to such interference was a point of "principle" that remained unchanged, but they noted that the Iraqi government that invaded Kuwait and threatened Saudi Arabia a year ago was treated as an exception to that rule.

The estimated 47 widely diverse Iraqi opposition movements differ widely in their views of the future of Iraq. Foreign diplomats believe that the more powerful opposition groups, the Kurds and the Shiites, are still competing among one another for prominence and for support from the allies that went to war against Iraq a year ago.

"At the moment the Saudi effort is to work alongside Syria to unite these groups in a coherent threat to the Iraqi regime," said a senior foreign envoy in Riyadh. He said the goal was especially difficult because of the differing views among these Arab nations allied against Iraq.

Syria has often said it was most concerned about Iraq staying within its borders, a position supported by Turkey. But Egypt, the Gulf Arabs and Saudi Arabia appeared over the last few months to be moving toward a position of supporting the overthrow of Mr. Saddam above other goals.

The most credible components of the opposition include the Muslim Shiites, who constitute a majority of Iraq's 18 million people with large concentrations in the South, and the Kurdish rebels in the north.

Other important opponents of the government include former Iraqi Army officers, former Arab Ba'ath Socialist Party officials who have turned against the ruling party, and representatives of the Sunni Muslims who constitute the religious minority assembled around Mr. Saddam's largely Sunni government.

Foreign diplomats and Saudi officials in Riyadh say the Gulf countries still favor an internal coup in Iraq that would prevent either Shiites or Kurds from taking the lead in governing the country but would result in an acceptable alternative to Mr. Saddam's government.

Saudi and foreign officials said the Saudi government's agreement to allow Ayatollah Hakim to visit Saudi Arabia indicates that the Saudis continue to oppose significant Shiite participation in any future government in Iraq.

"Receiving Al Hakim falls more in the sphere of a psychological destabilization campaign against Saddam Hussein," a foreign diplomat said. "The Saudis hope it will help get rid of him but they are not likely to support the Shiites in government."

Indeed, interviews with Saudi officials suggest that Saudi Arabia's priority now seems to be to get rid of Mr. Saddam, even if such a move precipitates civil war or intense competition inside the country as diverse movements fight for dominance.

A year ago, Saudi Arabia as well as the United States refrained from supporting a major uprising against the Iraqi regime that threatened to divide the country between Shiites in the south and Kurds in the north. The two countries still appear to favor a scenario where the Iraqi Army would stage a coup and take power.



A wine vendor in Moscow on Thursday as a customer took a taste near a statue of Lenin.

Russia Holds Line on Prices

More Controls to Be Lifted in Bid for IMF Membership

By Michael Dobbs
Washington Post Service
MOSCOW — The Russian government announced Thursday that it would push ahead with its program of economic shock therapy by lifting most remaining price controls by the end of March and liberalizing foreign trade operations.

The steps, outlined after a cabinet meeting led by President Boris N. Yeltsin, appeared to be designed to clear the way for Russian membership in the International Monetary Fund. IMF approval of an economic reform program is essential if Russia is to secure the loans it needs to float the ruble and to make the transition to a market economy.

"We hope this document will make a good impression on the international economic community," said a government adviser, Konstantin Kagalovsky. He said the government's reform program would be forwarded to the IMF "in the nearest future."

Moscow's willingness to go along with most IMF recommendations for liberalizing the economy reflects the relief among Russian officials at the relatively muted public response to the initial round of price liberalization last month.

While politicians from left to right have attacked the government for its economic policies, a

much-predicted explosion of social unrest has failed to materialize.

A recent opinion poll in the independent newspaper Izvestia suggested that public confidence in the government's handling of the economy is increasing, following the initial shock caused by price rises that averaged 300 percent. The number of people dissatisfied with their life has sunk to 68 percent from 81 percent in January, while the number of those satisfied has doubled.

Government officials said controls over staple foodstuffs such as bread, milk and certain types of meat would be lifted by the end of March. Energy prices in Russia, which are now only a small fraction of world prices, will be allowed to rise to around 70 percent of world prices by the middle of April. The prices of medicines, baby food and housing will remain subject to government control.

Mr. Kagalovsky said that Russia hoped for a quota of just over 4 percent of the IMF's current capital, well above the level that Western experts had predicted. He said this would pave the way for Russia to receive financing of about \$6 billion to stabilize the ruble and to introduce a realistic exchange rate. The size of a country's quota has a direct influence on the amount it can borrow from the IMF.

The ruble, which fell to a record low of around 150 to the dollar over the past month, has crept up against Western currencies in recent days. But most analysts say the relative strength of the Russian currency is related more to an artificial shortage of paper rubles than to long-term economic trends.

In a move to liberalize foreign trade, the government decided to suspend the present quota and licensing system for goods exported from Russia. The system has disrupted economic ties between the former Soviet republics, forcing factories in one republic to lay off workers, for example, because they can no longer rely on supplies from another republic.

Mayor Gavril K. Popov of Moscow said the latest round of price liberalization could produce social unrest in the middle of April, when food stocks hoarded by the population finally run out. He said the economic problems would probably lead to a political crisis.

Mr. Yeltsin, meanwhile, issued a decree instructing Vice President Alexander V. Rutskoi to proceed with the transfer of state-owned land to private farmers. Mr. Rutskoi, one of the chief critics of Mr. Yeltsin's economic plans, was given responsibility for Russian agriculture in what was widely seen as an attempt to silence him.

A Speedup In Transfer Of N-Arms To Russia

By Eric Schmitt
New York Times Service
WASHINGTON — The transfer of all tactical nuclear weapons from the former Soviet republics to Russia will probably be completed by May, two months ahead of schedule, a senior Russian general said Thursday.

General Sergei Zelenkov, a chief nuclear engineer in the Russian Defense Ministry responsible for the withdrawal of about 6,000 tactical warheads outside Russia, described the new timetable at a conference here of nuclear scientists from the United States and the former Soviet Union.

The expedited withdrawal is significant because Washington has expressed concern that economic and political unrest in the former Soviet republics could loosen controls on the former superpower's nuclear arsenal, particularly the smaller, more mobile tactical warheads.

The Bush administration has urged that the tactical weapons be consolidated under a single authority, and ultimately dismantled, as quickly as possible.

There are now about 12,000 tactical weapons in Russia and 3,000 in Ukraine and Belarus, according to the Nuclear Resources Defense Council. The former Soviet Union also has about 12,000 long-range nuclear weapons.

Senior Russian nuclear officials said at a news conference Thursday that their government sought to dismantle the tactical weapons by the end of the decade, but that Russia would seek American financial and technical assistance to build safe, adequate facilities to store the plutonium and highly enriched uranium bomb components.

Boris V. Nikopecov, the first deputy minister of Atomic Power and Industry, said that 100 tons of weapons-grade plutonium and 400 to 500 tons of highly enriched uranium could be recovered from dismantling tactical and long-range nuclear weapons. He declined to give the number or location of dismantling facilities in the former Soviet Union, but he said they were adequate to do the job.

Thomas B. Cochran, a senior scientist with the Nuclear Resources Defense Council, said that Bush administration officials were waiting to review detailed engineering drawings and cost estimates for the storage buildings, before approving any aid.

Scientists from both sides reiterated support for a plan proposed by Russia, the United States and Germany to establish an international science and technology center in Russia that would support scientists and engineers of the former Soviet Union who redirect their military expertise to civilian purposes.

The Bush administration has pledged \$25 million, out of \$400 million appropriated by Congress, to the project, with Germany and other European countries also contributing.

By financing peaceful research or commercial projects, the center seeks to blunt the temptation of nuclear experts in need of income to sell their services to aspiring nuclear powers such as Iraq, Iran, Libya or North Korea.

Yevgeny N. Avrorin, the scientific leader of the Institute of Technical Physics at Chelyabinsk-70, one of two nuclear-bomb designing complexes in the former Soviet Union, said such temptations would be natural, but added that he hoped "a moral threshold" against proliferating nuclear technology would prevent highly trained scientists from bidding their talents.

The Russian scientists also said their government had agreed to stop reusing nuclear materials from dismantled weapons in new arms, and instead store the material in specially designed uranium storage facilities — at facilities that would be subject to international monitoring, if Washington agreed to similar terms at American facilities.

The Russian president, Boris N. Yeltsin, has said that new plutonium production would cease by the end of the decade. Mr. Nikopecov said that efforts to speed that process were hampered because the same plants that produced plutonium also provided electricity and heat to large apartment buildings.

Converting the 10 nuclear industrial complexes to commercial use poses a Herculean feat.

WORLD BRIEFS

Vatican Affirms Anti-Abortion Stand
VATICAN CITY (Reuters) — Vatican Radio, in its first reference to the case of a 14-year-old Irish girl who has said she was raped, stressed Thursday that the Roman Catholic Church opposed abortion. "The church reaffirms its condemnation of abortion, even in cases like these," it said.

Ireland's Supreme Court on Wednesday overturned a lower court ruling that had banned the girl from going to England to end her pregnancy. Abortion is illegal in Ireland, but opposition politicians in Dublin said the Supreme Court ruling might mean that the country's laws would have to be changed.

Vatican Radio's commentary came in the form of a broadcast by a French Jesuit priest, the Reverend Olivier de Dinechin, titled "One act of violence does not justify another." He recalled a statement by British Catholic bishops in 1980 saying that a baby conceived by rape should not be condemned to die because of the violence suffered by the mother.

Yugoslav Unity Call on Eve of Vote
BELGRADE (Reuters) — President Slobodan Milosevic of Serbia vowed Thursday to keep Yugoslavia alive as Bosnia-Herzegovina prepared to vote on whether to secede. It would be the fourth republic to do so.

Addressing the Serbian legislature in Belgrade, Mr. Milosevic said Serbia should not follow Slovenia and Croatia in asking for international recognition. "Even a small Yugoslavia is a much better solution for the Serbian national question than a republic of Serbia alone," he asserted.

Violence has been slowly increasing in Bosnia-Herzegovina ahead of a referendum on independence, the Tanjug press agency reported Thursday, citing the destruction of a war memorial. In addition, Zagreb radio reported new trouble in Croatia, where more than 500 shells were fired on Osijek overnight, despite a truce that has held for nearly two months.

Albania Leader Seeks to End Looting
TIRANA, Albania (Reuters) — Prime Minister Vilson Ahmeti of Albania called Thursday for urgent military action to end looting and violence that has lasted several days.

Violence flared in the southeastern town of Pogradec for the third successive day on Thursday, after the police failed to stop rioters from rampaging through shops and warehouses. Looting was also reported in the city of Lushnje in a wave of violence that began there on Sunday.

Mr. Ahmeti called an emergency cabinet meeting and demanded that the police and army move swiftly "to restore law and order and to prevent similar incidents in other regions of the country." Two people have died in Pogradec since Tuesday; they were suffocated in the crush for food and other goods. Officials said 36 police officers and security men were injured.

Aristide Demands Trial for General
GENEVA (Reuters) — Haiti's deposed president, the Reverend Jean-Bertrand Aristide, said Thursday that General Raoul Cedras, who led September's coup, must face criminal charges despite a new accord that leaves the officer in charge of the army.

Father Aristide said that an amnesty under a power-sharing pact reached in Washington on Sunday did not apply to "common criminals." He said that the president, he had the constitutional right to choose who heads the army.

The accord, mediated by the Organization of American States, paves the way for the return of Father Aristide as president. But the agreement, which must be approved by Haiti's legislature, binds Father Aristide to accept General Cedras as head of the army.

Israel Accuses U.S. of Misusing Aid
JERUSALEM (AP) — Prime Minister Yitzhak Shamir on Thursday accused Washington of exploiting humanitarian aid to force Israel to freeze settlements in the occupied territories.

Secretary of State James A. Baker 3d told a House subcommittee that the administration would reject an Israeli request for \$10 billion in loan guarantees unless new settlement construction stopped in the occupied West Bank and Gaza Strip. Israel wants the guarantees to borrow money from banks to help home and find jobs for 350,000 Jewish immigrants from the former Soviet Union.

Mr. Shamir said that Mr. Baker's statement amounted to taking sides with the Arabs.

UN Inspectors Come Up Short

VIENNA — United Nations inspectors looking for secret nuclear plants in Iraq said Thursday that they had failed to find any hidden material or factories on their latest visit.

An International Atomic Energy Agency official, Maurizio Zifferero, said the inspectors, who visited Baghdad earlier this month, followed detailed intelligence given to the United Nations about the location of an underground plutonium factory.

"The information pointed to the existence of a cavity housed underneath an existing military establishment," Mr. Zifferero said. But his team, he said, was "totally unsuccessful in locating any evidence to support the existence of this installation."

Enclave Foes Blame Each Other for New Blitz

MOSCOW — Assaults involving attack helicopters, tanks and missile batteries shattered a new ceasefire in the Transcaucasian enclave of Nagorno-Karabakh on Thursday.

Armenia and Azerbaijan blamed each other for the breakdown in the truce, which had gone into effect at 9 A.M.

Each side also accused the former Soviet armed forces of backing

6 Penalized For Slayings On Timor

JAKARTA — The Indonesian Army said Thursday that it had punished six senior officers for the November massacre of civilians in East Timor, in what diplomats said was an attempt to calm international outrage.

The army chief, General Edi Sudrajat, said three of the six officers had been dismissed, two were taken off active duty and one had been suspended. Eight soldiers of lower rank will be court-martialed, he said.

Soldiers fired into a crowd of mourners in the East Timor capital, Dili, on Nov. 12. Witnesses said at least 100 people were killed, an official inquiry put the deaths at 50.

The punishments were the most severe for the powerful military since it brought President Suharto to power 26 years ago.

"We have learned a big lesson," General Sudrajat said as he announced the findings of a special military council investigating the massacre. He said the punishments were part of steps to correct a lack of discipline.

But the army chief also came out strongly against a softer line taken in East Timor since 1989 to handle separatist sentiment. He said the approach had given the rebels a chance to embarrass Indonesia.

A small band of guerrillas seeking independence continues to harass the military in East Timor, a former Portuguese colony that was invaded by Indonesia in 1975. Indonesia's rule there is not recognized by the United Nations.

East Timor was closed to journalists on Wednesday because of the approach of a Portuguese vessel carrying protesters.

UN May Give Food Aid to Somali Troops

By Jane Perlez
New York Times Service
ADDIS ABABA, Ethiopia — The threat of starvation among hundreds of thousands of people around the embattled capital of Somalia has become so serious that the United Nations is considering breaking the normal rules of humanitarian aid and giving food to armed combatants as well as civilians.

James Jonah, an undersecretary-general of the United Nations, said he believed this was the only way of getting food to those in desperate need, mostly women and children.

The usual methods of delivering food have been ineffective because the soldiers on both sides were also hungry and would fight for it, Mr. Jonah said here Wednesday.

Mr. Jonah, who has been leading the UN efforts to bring an end to the war in Somalia, helped negotiate a cease-fire accord signed in New York on Jan. 14 by representatives of the two factions fighting for control of the Somali capital, Mogadishu. But the agreement has had little effect on the scale of fighting in Mogadishu.

Mr. Jonah said that Western food donors had to face a "new reality" and do what was usually considered "repugnant."

"You can't escape it," he said. "You have got to give food to armed groups to reach the vulnerable. The alternative is the prospect of mass starvation."

As an example of the difficulty of distributing food, he described the situation at the port, where food would have to be delivered. About 80 armed men who belonged to neither of the two main factions guard the port and would not let

AIRLINES: Merger Talks Fail, Pressure Remains

(Continued from page 1)

American leg, through the Dutch airline's 20 percent holding in Northwest Airlines.

A British Airways spokesman said Thursday that the carrier would continue to look for partners, but he added, "Our first objective is to stay the most profitable airline in the world."

The task of maintaining profits, such as the £100 million pretax gain

TRAVEL UPDATE

Guide Killed in Raid on Kenyan Tour

NAIROBI (Reuters) — Bandits posing as policemen killed a Kenyan tour guide and robbed the 11 Austrians with him in an attack on a bus along the Indian Ocean coast, the police said Thursday. The incident on Monday in which seven Britons were beaten and robbed, occurred in a forested section of Nairobi, 200 kilometers (120 miles) southwest of Nairobi, tourist officials have advised precautions, including driving in convoys of two or more vehicles, avoiding night drives and unnecessary stops and not traveling with valuables.

French customs officers on the Spanish border called off a 48-hour strike over threatened job cuts on Thursday after the government agreed to appoint an official to mediate in the dispute. The customs officers want the government to promise to retrain them when the creation of a single European market will make many of their jobs superfluous. (Reuters)

Madrid metro workers ended a strike Thursday that, together with a bus drivers' stoppage, had caused havoc in commuter transportation for nearly two weeks. A spokesman for the metro workers said a preliminary agreement had been reached on salary increases. (AP)

The Weather



North America: Cold winds will grip eastern Canada and New England Saturday into Sunday. Saturday will be blustery and mainly dry from Chicago to New York City, and a wet rain front will sweep across the Midwest Sunday. It may turn showery in California this week-end.

Europe: Much of Europe will have a preview of spring this weekend with temperatures in the 50s to 60s. Heavy rain above normal. A few showers will occur from the British Isles to southern Sweden. Heavy rain will dampen southwestern Norway.

Asia: Showers will break out in Hong Kong Saturday and Sunday. Heavy rain in Taipei on Sunday, as well as Tokyo, will be somewhat cloudy, and a dry shower will sweep from the Philippines to the Gulf of Thailand. Sunnier weather will prevail in Southeast Asia.

City	Today	Tomorrow	Low	High	City	Today	Tomorrow	Low	High
Algeria	62/71	64/65	57	72	Bangkok	28/35	24/25	21/20	26/29
Amsterdam	11/22	5/22	12	24	Beijing	14/27	4/22	13	22
Atlanta	17/22	8/23	18	24	Hong Kong	18/24	12/23	19	26
Boston	16/22	8/23	18	24	London	23/21	26/25	23	24
Buenos Aires	7/14	8/23	18	24	New Delhi	27/20	12/23	21	29
Calcutta	22/28	2/28	12	24	Osaka	4/20	8/18	3	21
Chicago	11/22	5/22	12	24	Shanghai	9/16	1/24	8	23
Cairo	6/12	2/28	12	24	Singapore	25/28	27/28	21	28
Caracas	21/27	19/24	18	24	Taipei	27/23	23/23	21	28
Colombo	27/27	19/24	18	24	Tokyo	14/27	3/27	12	23
Dallas	11/22	8/23	18	24					
Detroit	11/22	8/23	18	24					
Hankou	18/24	8/23	18	24					
Hong Kong	18/24	12/23	19	26					
London	23/21	26/25	23	24					
Los Angeles	13/25	7/24	13	22					
Manila	16/21	3/27	12	24					
Medan	26/28	2/28	12	24					
Moscow	12/25	5/22	12	24					
Mumbai	10/21	8/23	18	24					
Nairobi	10/28	7/24	13	22					
Paris	11/22	5/22	12	24					
Perth	10/28	7/24	13	22					
Port of Spain	27/27	19/24	18	24					
Rangoon	27/27	19/24	18	24					
Rio de Janeiro	18/24	8/23	18	24					
S. Philadelphia	14/27	8/23	18	24					
Seoul	6/12	2/28	12	24					
Singapore	25/28	27/28	21	28					
Sydney	4/20	8/18	3	21					
Taipei	27/23	23/23	21	28					
Tel Aviv	18/24	8/23	18	24					
Tokyo	14/27	3/27	12	23					
Yokohama	14/27	3/27	12	23					

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كنايم الأهرام

Canada to Pull Out All Forces in Europe House Votes Tax Cut But Bush Vows Veto

U.S. Is 'Disappointed' by Decision, Ottawa Stresses NATO Commitment

By Clyde Farnsworth
New York Times Service
TORONTO — Reflecting eased East-West relations and Canada's severe budget constraints, Prime Minister Brian Mulroney's government has announced that it will pull out all its combat forces from Europe by the end of 1994.

The decision, which was disclosed in the government's newest budget, a fiscal blueprint for the coming 12 months, has stirred angry reactions from the Bush administration and NATO headquarters, fearing that it will increase congressional pressures for faster American withdrawal and unravel the 43-year-old North Atlantic Treaty Organization.

A U.S. State Department spokesman said that Washington was "very disappointed" and would have "greatly preferred a continuing Canadian presence within the NATO force structure in Europe."

The NATO secretary-general, Manfred Wörner, noted Ottawa's action "with considerable regret, given the political and military importance of the presence of Canadian forces in Europe."

With the collapse of the Soviet Union, the United States, which had as many as 350,000 troops in Europe during the most intense phases of the Cold War, has now cut back its force levels to 220,000 and plans to reduce still further to 150,000 by 1995, a Pentagon spokesman said.

Canada has already announced significant force cutbacks. But a token level was still "psychologically very important," said Alex Morrison, executive director of the Canadian Institute of Strategic Studies, an Ottawa-based public policy research group.

He said that if troops are already in place, a decision to swell the ranks, should the need arise, boils down to whether or not to reinforce, while with zero forces, "a decision to send troops to Europe becomes one of a completely different political magnitude."

Mr. Morrison criticized the move as "a withdrawal of Canada into itself" and said it would "reduce the importance of Canada's voice not only in NATO but in general European security matters."

Canada's Defense Ministry had already announced substantial cuts in September, the closing of two bases in Germany — at Lehr and Baden-Söllingen, both in Germany's southwestern corner — and the reduction of soldiers and fliers in Europe from 6,600 to 1,100 by the end of 1995.

In announcing a complete withdrawal in his budget speech, Finance Minister Don Mazankowski said that "since September 1991, the world has changed a great deal." He insisted that the "peace dividend" was possible "without lessening our commitment to NATO solidarity."

The move is part of \$2.2 billion in cuts in Canadian military spending over the next five years. Canada now spends \$12 billion a year on defense, less than 4 percent of the \$307 billion President George Bush proposes for the U.S. military in the current fiscal year.

American military spending is more than twice the entire Canadian budget. But Canada's accumulated debt is proportionately as large as that of the United States, and higher Canadian interest rates mean proportionately heavier annual interest charges.

While the Canadian withdrawal is expected to strengthen the voice of those in Congress who want drastic reductions of the \$150 billion a year that the United States spends on NATO, it is also likely to influence attitudes in Europe.

Simon Sarfaty, a specialist in Atlantic relations at the Johns Hopkins University School of Advanced International Studies in Washington, said that for the Europeans "it will confirm the perception that all of the New World is going home, and it might increase European interest in developing an autonomous defense entity that would be distinct from NATO."

Since the mid-1980s, he noted, the Europeans have been talking of reviving an aborted initiative of the early 1950s that called for a European Defense Community to exist along side the European Community.

Buchanan's 'Art or Smut?' Ad Attacks Funding

By E.J. Dionne Jr.
Washington Post Service
ATLANTA — Patrick J. Buchanan has begun broadcasting an advertisement in Georgia featuring scenes of gay black men in various states of undress. The pictures were taken from a documentary, "Tongues Untied," that was partly subsidized by the National Endowment for the Arts.



Mr. Buchanan laughed while watching Mr. Bush's televised speech to the Southern Republican Leadership Conference in Charleston, South Carolina. The conservative commentator and presidential candidate was making a campaign appearance nearby.

Reagan Makes It Clear: 'I Support Bush'

By Lou Cannon
Washington Post Service
LOS ANGELES — Former President Ronald Reagan has issued a statement of support for President George Bush as White House officials scrambled to repair political damage after what appeared to be a snub of Mr. Bush by Mr. Reagan when the two met Tuesday.

In a statement that administration officials said they requested from Mr. Reagan, the former president said that he "will do everything I can to see that he is re-elected as president."

Mr. Reagan's office issued the three-paragraph statement here Wednesday, soon after Mr. Bush left for San Antonio.

The political impact of Mr. Reagan's visit to Los Angeles was marred by Mr. Reagan's absence at a \$1,000-a-plate fund-raising dinner on Tuesday.

In the statement, Mr. Reagan took issue with parts of a report Tuesday in The Washington Post, which quoted him as saying that Mr. Bush faced re-election difficulty "because he doesn't seem to stand for anything."

The remark was attributed to "sources close to the former president."

Funding for Drug War Is 'Sparse,' Bush Says

SAN ANTONIO, Texas — President Bush and six Latin American leaders concluded a drug summit meeting Thursday with renewed pledges to combat narcotics, but Mr. Bush cautioned that "at a time of rather sparse resources" the United States could not give its neighbors all the help they requested.

These are not easy times for the United States," Mr. Bush said at a news conference at the close of the two-day meeting.

Mr. Bush called drug trafficking "a new kind of transnational enemy."

"Make no mistake," the president said. "Defeat the traffickers, we will."

He said there had been significant progress during the past two years, saying drug use among young people in the United States was down by 60 percent.

Mr. Bush said he and the other leaders had discussed improving efforts to halt shipments of drugs from Latin America to the United States and the development of alternative crops to give coca growers an economic basis for moving away from drugs.

"Farmers who once grow coca in Bolivia are exporting pineapples and bananas," Mr. Bush said. "Peru's economy is beginning to grow again. And the Andean states will expand trade with the United States under this new Andean Trade Preference Initiative that I signed into law last December."

But when a reporter from Latin America asked the U.S. president if he was prepared to increase assistance, Mr. Bush replied, "The responsibility of the president of the United States is first to the people of the United States."

Mr. Bush was joined at the meeting by Presidents César Gaviria Trujillo of Colombia, Alberto Fujimori of Peru, Jaime Paz Zamora of Bolivia, Carlos Salinas de Gortari of Mexico and Rodrigo Borja Cevallos of Ecuador, and by Foreign Minister Armando Durán Ache of Venezuela.

Senate Bars Move To Give Bush Line-Item Veto

WASHINGTON — The Senate rejected legislation Thursday that would have given President George Bush line-item veto power over appropriations, a move that opponents said would turn Congress into a "rubber stamp" of the White House.

The Senate voted, 54 to 44, against granting Mr. Bush the power, the latest in a series of defeats for the proposal that has been backed by Mr. Bush and also his predecessor, Ronald Reagan.

Under line-item veto power, held by the governors of 43 states, Mr. Bush and his successors could kill individual items in the appropriations bills and approve the rest of the measures.

The legislation, sponsored by Senators John S. McCain 3d, Republican of Arizona, and Dan Coats, Republican of Indiana, would have allowed Congress to restore the struck items by majority vote.

The president, however, could then veto the restoration and that would take a two-thirds vote to override. Congress has never overridden a Bush veto.

North Korea Says No to Atom Inspections

By Michael Richardson
International Herald Tribune
SINGAPORE — As North Korea again rejected proposals for early inspection of its nuclear plants, a senior Pentagon official said Thursday that the Korean Peninsula had become "the most dangerous area in the world today."

The official, James R. Lilley, assistant secretary of defense for international security, also said Pyongyang was delaying outside checks on its nuclear installations so that it could move ahead with a clandestine nuclear program.

"Our information is that they are proceeding with their reprocessing plant and their nuclear weapons program while stalling on inspection," he said.

American officials have recently warned that North Korea may be only months away from a nuclear-weapons capability, in which they would use plutonium from a reprocessing installation that is nearing completion at Yongbyon, 90 kilometers (55 miles) north of Pyongyang. North Korea has denied that it is developing such weapons.

2 Groups Claim Greek Bomb

ATHENS — Two leftist Greek guerrilla groups claimed responsibility on Thursday for a bomb attack here this week that wounded 18 policemen and a bystander. The May 1 and Revolutionary Popular Struggle groups said in a letter to an Athens daily newspaper that they had jointly staged the attack and would combine into one group.

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SDI: What's the Rush?

When Iraqi Scuds began slamming into Israel and Saudi Arabia, they sent a shudder through Americans. How long would a new nuclear-armed Iraq take to build missiles capable of reaching the United States? Sensing the anxiety, the U.S. Congress wants to deploy anti-missile defenses on the ground, starting in 1996. But why rush into a costly deployment when U.S. intelligence indicates that the danger from renegade Third World nations is still on the distant horizon? Further research is surely justified, but there is no compelling reason now to install anti-missile defenses.

Washington nevertheless decides that defenses are worth the price, it will need Moscow's consent. That is because an effective limited defense can work only against a minimal offense. That requires deep cuts in missiles. But Moscow might balk at such cuts because defenses could negate the retaliatory capability of remaining offenses, endangering deterrence. Hard-liners in Washington want to take advantage of Moscow's weakness and deploy defenses unilaterally. But nothing would revive Moscow's military-industrial complex or restore hard-line rule quicker than such a threat.

Retooling GM, and More

When a company like General Motors runs huge losses, only part of the burden falls on the stockholders. Part — and perhaps the larger part — falls on the company's employees who, in GM's case, are now losing their jobs by the thousands. Recent comments from Japan suggest that perhaps Americans in the auto plants do not work hard enough or skillfully enough to meet the competition. That is demonstrated to be wrong by the experience of the Japanese companies in the United States. By all accounts the Hondas produced in Ohio, for example, are indistinguishable from those made in Japan. The quality of the American labor force does not seem to be an adequate explanation for the troubles of the automakers.

making cars and trucks for the North American market — that is now performing least well. GM has just reported losses of \$4.5 billion in 1991. The losses in North American vehicles alone were much larger — around \$7 billion. GM's operations overseas — especially in Europe, where it was never dominant — are handsomely profitable. It is making very substantial amounts of money in its installment finance business. Its subsidiaries Electronic Data Systems and Hughes Electronics, whose specialties are information processing and communications, are doing very well. But all their billions in profits last year weren't nearly enough to offset the losses of the North American automobile plants, of which GM has just said that it will close another 12.

A Justice Disappoints

Only four months after taking his oath as a Supreme Court justice, Clarence Thomas finds himself rebuked by a seven-member majority of the Rehnquist court for disregarding humane standards of decency. The withering reprimand, included in the Supreme Court's majority opinion in a prison case Tuesday, is this: "To deny, as the dissent does, the difference between punishing a prisoner in the face and serving him unappetizing food is to ignore the concepts of dignity, civilized standards, humanity, and decency that animate the Eighth Amendment."

reformers, human rights groups and the Bush administration's Justice Department in recognizing that this case turned on "contemporary standards of decency." They know it is indisputably cruel when prison guards add brutally and recklessly to legally prescribed punishment. They know it is up to the courts to make sure such conduct remains unusual as well. The Thomas dissent would be alarming coming from any justice. Coming from him, it rings as with crushing disappointment. He is, for one thing, the youngest justice. He might well serve until the year 2030 or beyond. Although his voting record now is identical only to that of Justice Scalia, he could attract enough support from future appointees to move the court still further to the right.

Other Comment

High Stakes in South Africa Tuesday marked the start of the most fateful political campaign South Africa has seen. The date of President de Klerk's referendum, and the question to be answered are now known. On the outcome may hang the future of us all. How whites respond will be crucial to the way in which South Africa changes. A "yes" vote offers the possibility of relatively peaceful change by negotiation and consensus. A "no" vote offers only conflict.

should therefore be dismissed, boycotted or even actively opposed. Realism and self-interest demand an opposite conclusion. While willingness to accept change is essential if change is to have any chance of being peaceful. A "yes" vote will enable negotiation to continue. It will also ensure world support, no more sanctions, continuing sports tours, new trade opportunities and a chance to restructure the economy. The right wing, if it were to achieve a majority "no" vote, would have enough muscle to create and defend a white laager. But it would not be able to save the economy from disaster and the country from civil war.

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Comeback Scenario For a Battered Bush

By William Safire

WASHINGTON — To the question on the cover of U.S. News & World Report — "How Weak Is Bush?" — the Republican voters of South Dakota replied: weaker than any sitting Republican president since Herbert Hoover.

Does it strain credibility to suggest that Gadhafi, Saddam or Kim Il Sung is going to get zapped?

one-third of his own party's voters. That is not weakness; that is decrepitude. Here is the comeback scenario: 1. The Unilateral Tax Cut. Mr. Bush proposed cutting the capital gains tax by half. Democrats have called this helping the rich at the expense of the poor; they see class war when what is really being waged is generational war: cutting taxes on property profits helps older people, who have more unrealized profits, vs. younger people, who earn more but vote less.

Back in Reagan's Shadow, He Finds Another Snub

By Richard Cohen

WASHINGTON — George Bush, faithful servant and bootlicker to Ronald Reagan, has gotten his just deserts. After changing almost everything but his sex to suit Mr. Reagan, Mr. Bush was virtually snubbed by the former president when he went to California. Many details will flow from the White House, and one has already come from Mr. Reagan, but he is not fooled: Ronnie put the shiv into George.

lesson to children on the dangers of obsequiousness. But, truly, the reason Mr. Bush is in such trouble today is not because he has no political views of his own, but that the policies he has implemented are largely Mr. Reagan's. In no significant way has Mr. Bush broken with the Reagan economic plan that he himself once called "voodoo economics." Much of Mr. Bush raised taxes. So did Mr. Reagan. Yes, what still ails the country is Mr. Reagan's fault as much as it is Mr. Bush's. The only difference between the men is that one of them knows better.

A Civilian Economy Would Give America a Boost

By Seymour Melman

NEW YORK — After decades of World War, the White House, Pentagon, and corporate executives are blocking every proposal for planning conversion to a civilian economy. Federal and corporate managers fear a loss of decision-making power. Congress fears the disruption of political arrangements that enable members to bring income and jobs to their constituents.

quick profits but degrade the production competence of an industry. Mr. Yelton's judgment that planning must be done in advance is confirmed by ordinary industrial experience. This involves selecting new products, estimating their market, retraining employees, altering the organization of production and redesigning plant facilities.

Vietnam: Time to End the Embargo

By Clare Hollingworth

HONG KONG — The United States is coming under increasing criticism from bankers and businessmen throughout Southeast Asia for maintaining its trade embargo against Vietnam. This keeps American businessmen from opening offices and entering the race for oil concessions and other major projects, including joint ventures to develop the country's rich mineral and natural resources.

criticized for having failed to do so. (Embassies remain in Hanoi, which lacks the youthful, semi-skilled work force enjoyed in the South.) Improved relations with China have helped, easing political tensions (and investors' fears), and also relieving chronic food shortages in the far north, as border crossings have been opened for barter trade.

Japan has quickly become Vietnam's leading trading partner, and recently invested more than \$140 million in the oil industry. Highly successful fisheries along the coast near Ho Chi Minh City produce raw fish for the Tokyo market. Japan, France, Germany, India, Denmark and other countries have opened consulates in Ho Chi Minh City, and the British government is



Such Talk Of 'Racism' Is a Danger

By Flora Lewis

S. T. CROX, Virgin Islands — The granddaughters of Benito Mussolini has decided to run for the Italian Parliament on the neo-fascist ticket. She concedes that her grandfather made mistakes but says, "Not everything was wrong." She says she believes in democracy and throws an extraordinary reverse attack on her opponents. "It's racism that makes somebody because their last name is Mussolini," she told the New York Times correspondent Alan Cowell (NYT, Feb. 25). "I'm me."

There has been an attempt to enshrine the status of victim as a unique and permanent quality, something providing special rights having nothing to do with individuals and their inherent dignity but obtained by asserting identity in a particular group. In his introduction to the book "Dealing with Racism," Paul Berman describes what he calls the "race-class-genderism" which deliberately seeks to divide society into antagonists.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO 1892: Gladstone's Lady PARIS — Mr. Gladstone has been taking advantage of his stay in Paris to renew his acquaintance with a very beautiful lady, of whom he is a great admirer. A personal friend who wished to see him, called yesterday (Feb. 27) at the Hotel Bristol and was informed that Mr. Gladstone was at the Louvre. Off he set to the splendid museum and ransacked all the picture galleries without finding a trace of the right honorable gentleman. Eventually he came across one of the guardians who knew Mr. Gladstone by sight. "Oh," said he, "you will find Mr. Gladstone in the Salle de la Venus de Milo. He always looks at the statue for half an hour or so when he comes to Paris."

1942: A Jobless Roosevelt NEW YORK — (From our New York edition) Mrs. Franklin D. Roosevelt told reporters last night (Feb. 27) that she will not take any more government positions while her husband is President. "I can't take a government position because of my being the President's wife — I found that out," she said, smiling. Mrs. Roosevelt resigned recently as Assistant Director of the Office of Civilian Defense. She had been criticized for allegedly being responsible for various O.C.D. appointments to which some Congressmen objected.

Handwritten signature: J. P. J. J. J.

Such Talk Of 'Racism' Is a Danger

By Flora Lewis

ST. CROIX, Virgin Islands — The granddaughter of Benito Mussolini has decided to run for the Italian Parliament... She concedes that her grandfather made mistakes but her grandfather was wrong.

She says she believes in democracy and she is not a fascist... She says she is not a fascist and she is not a racist... She says she is not a fascist and she is not a racist.

Let These Millionaires Fix America's Tax-Policy Mess

By Robert Kuttner

WASHINGTON — The phone rang. It was an assistant to someone with the same name as a famous actor. The man had read a column of mine on tax reform, and he wanted to talk about it.

Her behind. He is supporting a candidate for president, but he watches the election slipping away, in part because economic issues are framed so misleadingly... The caller told me his name. "I used to be a major league pitcher, now I'm a businessman," he said.



LETTERS TO THE EDITOR

A First Lady's Conscience

I take great exception to Peggy Antrobus's comment in your issue of Feb. 25 regarding the International Fund for Agricultural Development Summit on Rural Women, in Geneva ("Fear Not, Anitista, the Royals Are Nigh").

In Grandfather's Footsteps

Regarding the report "Neofascist Granddaughter Says Proudly: 'I'm a Mussolini'" (Feb. 25): Alessandra Mussolini's candidacy for the Italian Parliament recalls a prophetic incident in the mid-1960s when Peter Ustinov was visiting Rome and caught up with his friend Sophia Loren at the home of her sister, Anna Maria Mussolini.

Shuttle Versus Ozone

In response to the editorial "Revive the Ozone Agenda" (Feb. 7): The space shuttle destroys tons of ozone during each launch. During its first two-minute burn the shuttle emits 187 tons of chlorine and chlorine-containing compounds.

Half-Right or All Wrong?

Regarding "The Japanese Critic Was Half-Right" (Opinion, Jan. 25-26) by A.M. Rosenthal: With all due respect, I disagree with Mr. Rosenthal. The Japanese statesman's unstatesmanlike criticism that American workers are lazy and illiterate is not half-right, as Mr. Rosenthal says, but entirely wrong.

Half-Right or All Wrong?

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It's Good That He Cheers For the Seed and the Egg

By Anna Quindlen

NEW YORK — We are pretty familiar with the seed and the egg in our house. They have become like cartoon characters, like Road Runner and Coyote, chasing each other around the byways of biology. The seeds have tails (but not hot hats) and swim. The eggs are round and go on a fantastic voyage once a month.

MEANWHILE

question of how the seed and the egg wind up in the same place at the same time. Like Proust's madeleine, the look of horror and incredulity on my son's face took me back to the moment when I first heard the news.

When Art Served Ugliness

War Posters In Bologna Shop

By Laura Colby
International Herald Tribune

BOLOGNA, Italy — Under the graceful, rose-colored porticos of Via San Vitale, only a few steps from this city's 900-year-old university, Antonio Niero's shop stands out like a Cadillac Seville on an antrostrada.

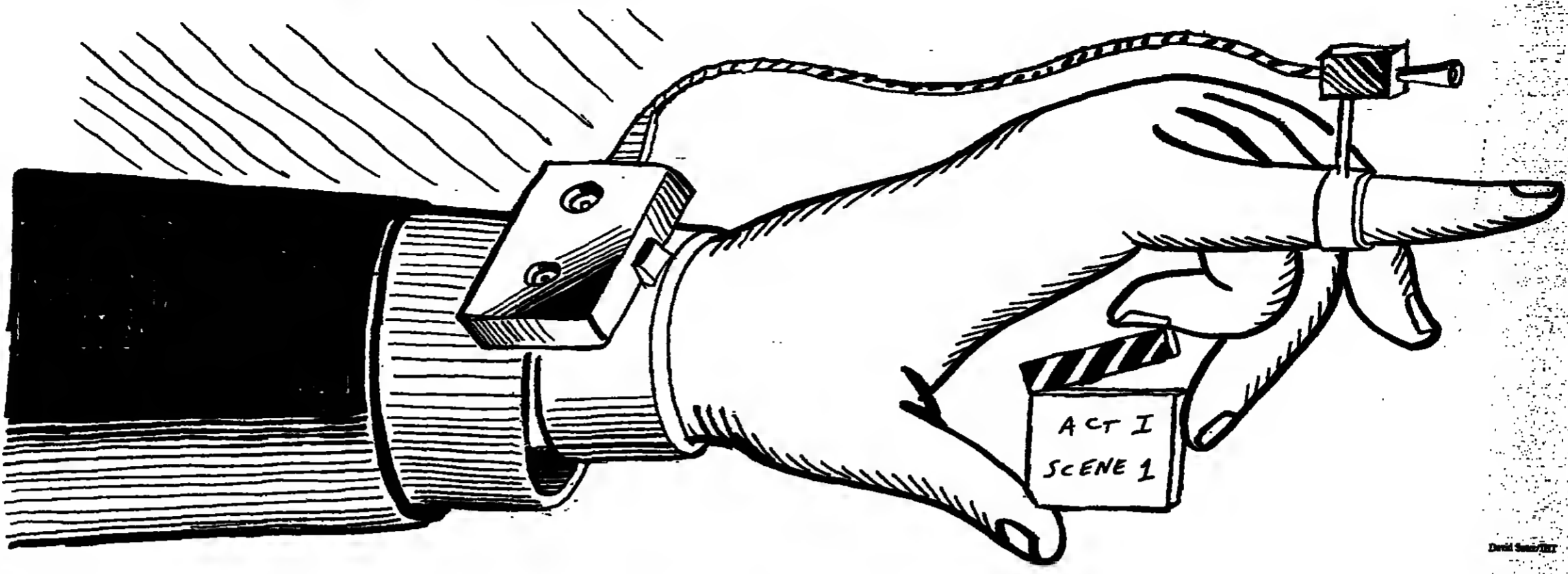
A cacophony of multicolor molded tin signs, plastic calendars and posters hawk their wares from the window — everything from idyllic vacation spots to sausage to barbecue of butane heating gas.

But Niero's shop is not just another tired temple of 20th-century kitsch. Displayed inside, so as not to offend potential customers, he has the largest collection in Italy, and likely the world, of propaganda from Italy during Mussolini's regime.

In this wealthy town of Italy's so-called Red Belt — dominated for decades by what used to be called the Partito Comunista, and a stronghold of the resistance movement — residents are hardly nostalgic for the days of Mussolini. But the Fascist-era posters, which sell for anything from 800,000 to 1,500,000 lire (\$670 to \$1,250), have become collector's items.

To thumb through Niero's leaflets and posters is to step for a moment onto the other side of the war — and to see the nightmare visions of the Allies that ordinary Italians were fed daily by the Fascist and Nazi propaganda machine.

"Free America promises dollars and work to the Italians," one poster reads beneath a



From Phones to Cassettes, Tiny Is Beautiful

By Conrad de Aenlle
International Herald Tribune

PARIS — Small is beautiful, it is said, and more and more it runs on batteries. Consumer electronic gadgetry is undergoing a profound shrinkage, thanks to the same technological advances that allowed computers to fit on a desk when a city block barely held them before.

That same wizardry has moved from the office to the home, making the world a user-friendlier place for people who move around a lot, or who live in closets, but still want to be entertained. A number of well-crafted, portable, electronic miniatures — VCRs, compact disc players, camcorders, telephones, even computers — are on the market or soon will be.

The newest and most diminutive generation of camcorders — cameras that record events and then are hooked up to a television set for playback — weigh around two pounds, or less than one kilogram, and use small cassettes of 8-millimeter film, rather than videotape, that provide up to two hours of recording time.

The camcorders cost between \$700 and \$1,200 in the United States, but they can be considerably more expensive overseas. The

top-of-the-line, \$1,200 Sony Handycam CCD-TR81, a Hi8 model that features superior picture quality and stereo sound, costs 10,000 francs in France (about \$1,785), Sony said. At FNAC, the French electronics retail chain, it is being sold for 11,490 francs.

Three other Japanese models, by Canon, Hitachi and Minolta, were for sale at FNAC, at prices ranging from 5,990 francs for the Minolta to 7,990 for the Hitachi. The Canon costs slightly less than the Hitachi but offers twice as much recording time, 220 minutes.

An evaluation of 8mm compact camcorders in the March issue of Consumer Reports compared the machines quite favorably with their larger counterparts. They are easier to carry, of course, and tend to offer better sound quality. One drawback is that they are harder to hold steady because of their light weight, with the result being "slightly jiggly videos that can torture your audience."

Another negative point, the report said, is the price, which is usually more than those of conventional VCRs. Whichever format of compact camcorder is chosen, a survey of readers found that "one in five recently purchased camcorders has broken down at least once" with an average repair bill of \$100.

Consumer Reports rated Sony's Hi8 model the best, followed closely by the Fisher FVC-990, a conventional 8-mm machine priced \$250 less, and the conventional 8mm

Sony CCD-F401 model, costing \$60 less than the Fisher.

Sony also makes the GV-300 Video Walkman, an 8mm VCR with a four-inch (10-centimeter) color television. It is described as being slightly larger than a paperback book and features stereo sound, cable compatibility, and search and editing functions. The suggested U.S. retail price is \$1,400. FNAC sells it for less in Paris, 7,290 francs.

Gadget mavens who want to brag to their friends about their new toys can call them on Motorola's MicroTAC II personal cellular phone. It is the second generation of a phone designed to "fit into a shirt pocket, not just a briefcase." Motorola's promotional literature states:

MicroTAC II weighs just under half a pound and features 45 minutes of talking time between battery charges, or up to 120 minutes with an optional long-life battery. The phone can store 99 numbers of up to 32 digits each, and has a red-dial feature. If it is any comfort, the brochure notes that MicroTAC II meets military standards for resisting thermal shock.

The phone is on sale in a number of markets. It retails for anywhere from \$1,250 to \$2,500 in the United States, depending on which features the buyer opts for, and somewhat more in Europe and Asia. One potential problem: Cellular phones operate using

radio waves, and frequencies change from country to country, so they are likely not to work once a border is crossed.

Bookish sorts, too, can benefit from the downsizing phase of the technological revolution with Sony's Data Discman. The two-pound device, which looks like an overgrown electric shaver, reads information stored on optical disks 8 centimeters (3.1 inches) in diameter and displays it on a small liquid-crystal digital screen that can show 30 characters of text, as well as graphic images.

EACH disk holds the equivalent of 100,000 pages of information, or roughly 300 books' worth. There is a search mode that allows readers to electronically thumb through the reams of data to find particular facts.

In an example used in Sony's guide for the Discman, a reader interested in French Romantic painting could pop in the Compton's Concise Encyclopedia disk that comes with it and type "France," "Romantic" and "painter" on the keyboard in front of the screen, hit a few buttons and get a list of a dozen artists. A reader can then explore each one in depth.

In addition to the encyclopedia, the Discman, which has a suggested retail price in the United States of \$550 and about a third more in Europe, comes with The Wellness

Encyclopedia and Passport's World Travel Translator, which can translate words into 10 European languages, from Danish to Portuguese to Serbo-Croatian, perfect for the UN peacekeeper on the go.

Other disks can be purchased for \$30 and up in the United States that include reference books, the Bible, travel manuals and collections of literature, and Sony says new disks are on the way. Disks available in Europe include a Michelin guide, a reference work on wines and an almanac of European affairs.

New disks of a different kind are on the way from Sony, too, and they are suitably petite. The electronics giant expects to begin worldwide distribution later this year of a mini variety of music compact disks that has been selling in Japan. Lisa Baldino, a company spokeswoman, said they will be capable of squeezing 74 minutes of music onto a disk 2.5 inches in diameter. Sony said the price of the players had not yet been set, but Which?, a consumer magazine in Britain, estimates that they will cost £250 there (about \$435).

Another development is the digital compact cassette, set to be launched in Europe in the fall by Philips and Matsushita. A DCC will be the same size as a conventional music cassette, but it will have the sound quality of a compact disk. Which? expects the DCC player sold in Britain to retail for £300.



Propaganda aimed at children.

picture of a haughty Uncle Sam, his boots being polished by a downtrodden Italian. "But if 12 million of its own workers are living on unemployment, what kind of work can it give to the vanquished peoples?"

"The Americans are back," headlines another poster with two pictures. One is of a pair of grinning tourists in 1938, Jim and Joe, against a breathtaking backdrop of Lake Como, a placid blue mirror for the Alps surrounding it. The caption says, "Tourism: 'We're having a great time on Lake Como!'"

In the adjacent picture, dated 1945, Jim and Joe have returned to Como as Allied bomber pilots, grinning still as they blast palazzi and pleasure boats alike. The second caption says, "Sport: 'We're having a great time on Lake Como!'"

ANOTHER handbill shows Britain — personified as a rotund capitalist in top hat and waistcoat — picking the pockets of hanged Boers, Indians, Arabs and Egyptians. The caption: "For Great Britain, all races and peoples are the same."

As time passes, the propaganda gets more dramatic, scornfully depicting the liberating army as looting, raping forces totally unconcerned for the lives or property of the "liberated." Often these posters play on racist attitudes, such as one showing a black American soldier with exaggerated features carrying away a marble statue of a Roman woman.

Perhaps most striking of these is the poster of a bombed and sacked church, its huge crucifix with a life-sized Christ askew amid the ruins. Only on close inspection does one notice beneath it a U.S. soldier, grinning evilly as he stuffs his pack with a golden chalice and other booty.

Such images seem light-years away from modern Italy, and indeed Niero says that lately his customers have included youths who heard about the war era from their parents or grandparents and who are curious about the past. Niero, who studied social anthropology, believes that advertisements of all kinds are a way of studying the history of everyday life. "Sometimes you need to remember the future," he says, "by looking at the past."

HEAR THIS

California update: Nancy Skinner, a Berkeley councilwoman with a protective feeling about the environment, painted her house with an ecologically innocuous, no-additives milk-based paint. Unfortunately, it had turned. "It smelled like really bad compost and body odor all mixed up together," she told the Oakland Tribune. "It's like about 20 guys were in a room who hadn't taken showers for weeks." It seems no amount of scrubbing would remove the odor, the Associated Press tells, so she had the walls torn out and new wallboard installed. What paint did she use? Regular synthetic-based stuff. Sometimes, it's best to go back to old-fashioned values.

Hong Kong's China Club: Power Lunching for a New Elite

By Laurence Zuckerman
International Herald Tribune

HONG KONG — "The whole idea of luxury is not marble and chrome," David Tang proclaims, making yet another of his frequent pronouncements. "Luxury is when you feel 100 percent comfortable."

Such words are heresy in a town that has spent millions importing a good portion of Italy's metamorphic layer to line its modern palaces and towering office monuments. But then Tang, scion of a wealthy Hong Kong family and graduate of a British public school and Cambridge, seems most comfortable when he is playing the rebel, tweaking the sensibilities of the upper classes.

With his latest project, The China Club, Tang manages to add another group to the mix: the new class of mainland Communist elite who will rule Hong Kong after it is returned by the British in mid-1997.

Last year, after four years of persistent lobbying and politicking, Tang and some friends managed to convince Beijing to allow them to transform the top three floors of the old Bank of China building in Hong Kong's central business district into a private club.

To veteran Hong Kong residents, the idea that the squat bank building, from whose balcony mainland agents whipped up the colony's 1967 anti-British riots, could be home to a midtown club for the colony's capitalist elite was no small irony.

But that was just the beginning. For the new club's decor, Tang chose Shanghai circa 1930, the days when the city was infamous as the capital of decadence and corruption in the Far East. "Wouldn't it be nice if there was a club that tended all the desires of gluttons and hedonists like me," is how Tang describes his inspiration for the project.

But isn't this just the sort of thing Mao, Deng and the generation of revolutionaries still running China launched the revolution to root out? "Good things always last," Tang responds.

For all that, the club, whose 435 members have paid as much as \$20,000 to join, is far from being a nest of debauchery. Still, Tang has taken some chances considering the well-known sensitivities of his mainland landlords.

The club's logo, for example, which is a yellow star almost obscuring a red star, represents, according to Tang, the old Chinese empire's ultimate triumph over communism.

Few of the club's power-lunching members appear to note the significance, and the Chinese authorities don't seem to mind either.

When the club opened its doors last fall, the ribbon was cut by Zeng Nan, chief of the Hong Kong branch of the Xinhua news agency and Beijing's de facto ambassador to the colony. Snapping alongside him — and defining the two other points in Tang's triangular social network — were the Tory MP Michael Heseltine and the Hong Kong businessman T. T. Tsui.

In the crowd was most of Hong Kong's



David Tang in the dining room of the elegant China Club.

business elite and a Chinese artist named Deng Lin, who happens to be the daughter of Deng Xiaoping.

With that kind of backing, many believe the China Club is destined to replace the neighboring Hong Kong Club, the favored meeting place of the British colonial elite, as the venue of choice after 1997.

For Tang, however, the real fun is designing the club to his own iconoclastic and quirky specifications.

Tang refused to protect its new oak floors, letting workers scuff and scratch them as they went about their business.

The one substantial break with the club's old Shanghai theme is the large collection of modern paintings and sculpture on display. Most come from Tang's private collection, and all are by Chinese artists. "There is nowhere in Hong Kong where there is a sense of aesthetics in art and furniture," he asserts. "Can you name me one?"

For the club's cuisine, Tang wanted to include traditional Chinese dishes such as congee, a Chinese breakfast porridge, that is usually found in street stalls. After searching in vain for an experienced chef, he bought out a man who had a stall and put him in the kitchen.

TANG has little patience for critics, such as those who complain that the club has no health facilities and that all but a few of the library books are in English.

"You try to find one good book written about China after 1949 in Chinese," he remarks with disdain. "As if they would read the bloody things if we did have them."

Such comments may not help when the club's nine-year lease comes up for renewal at the end of the decade. But Tang is not worried. He hopes to convince Beijing officials to let him buy or lease several more floors. Then, he says, he would have enough room to add a bowling alley.

THE MOVIE GUIDE



Elijah Wood and Joseph Mazzello with Lorraine Bracco in "Radio Flyer" top; Samantha Mathis and Gaby Hoffmann in "This Is My Life," bottom left; Estelle Getty shoots up her son's life in "Stop! Or My Mom Will Shoot."

Dien Bien Phu
Directed by Pierre Schoendoerffer. France.

The two-month battle of Dien Bien Phu ended France's hold on Indochina in the spring of 1954. Schoendoerffer's movie goes back and forth between Hanoi and the battlefield. There are colorful characters — a wise old American journalist (Donald Pleasence), a craven French press agency bureau chief (Jean-Francois Balmer), a dashing captain (Patrick Catalifo), a brilliant violinist (Ludmila Mikael). There's a grand end-of-the-world style concert, with music by Georges Delerue, and cynical predictions on the battle. On the field, bombs are showered, brave men die, but you never see the enemy. The movie has no real focus, it meanders among the hapless soldiers in the hills and fuddles along in the opium dens of Hanoi. It's an opus that begins at the end, and builds like an endless overture. The finale comes 2 hours and 20 minutes later. (Joan Dupont, IHT)

Stop! Or My Mom Will Shoot
Directed by Roger Spottiswoode. U.S.

Sylvester Stallone and Estelle Getty square off in this buddy comedy, and the longer they go at it the more Stallone looks like

Bea Arthur. Getty plays Tutti Bonowaki, a feisty elder who pays an unwelcome visit on her son, Joe, a Los Angeles police sergeant who needs to get in touch with his feelings. Fixing her son's failed love relationship with his boss, Lieutenant Gwen Harper (JoBeth Williams) becomes a priority. Roger Spottiswoode's direction is a workmanlike effort from a workmanlike director. (Rita Kempley, WP)

This Is My Life
Directed by Nora Ephron. U.S.

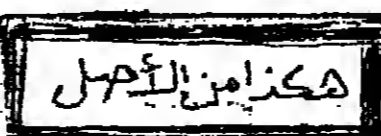
Making her directorial debut, Nora Ephron does exactly what she did on the page. She shapes every detail of this witty, picture-perfect slice of New York life to fit a single vision, one that even at its most generous and funny manages to retain a penetrating clarity. The results are a memorable portrait of Dottie Ingels (Julie Kavner), a driven, unstoppable creature who is half-mother and half-star, and a look at the problems that her career causes for her children. Dottie's vague moonstrousness does nothing to diminish her charm. "This Is My Life" is much too knowing about show business and ambition to regard moonstrousness as a character flaw. An insistence on laughter as any cost takes a toll on the wisecracking little Opal (Gaby Hoffmann) and the

serething adolescent Erica (Samantha Mathis), the two young characters who are the real heart of this story. Ephron knows how to get exactly what she wants from actors, and she elicits enchanting, honest performances from the two young stars. (Janet Maslin, NYT)

Radio Flyer
Directed by Richard Donner. U.S.

Richard Donner's "Radio Flyer" is one of those infrequent and embarrassing efforts of a perfectly adequate Hollywood director to make the kind of offbeat movie for which he has no aptitude at all. That's the only way to explain why this tale of childhood magic winds up being so bleak and gross. The main part of the film is set in the 1960s, in California, where Mike (Elijah Wood), who is about 11 years old, and his younger brother, Bobby (Joseph Mazzello), have moved from the East with their recently divorced mother, Mary (Lorraine Bracco). As narrated by the adult Mike, young Mike and Bobby so adore their mother and so treasure her new-found happiness that they can't bring themselves to tell her the truth about the man she marries on impulse (Adam Baldwin). The truth is that when Mary is out of the house, he terrorizes the boys, especially the small stoic Bobby. Mike and Bobby

Two
P
AUSTRALIA
MELBOURNE
BRITAIN
ACROSS
SOLUTION TO PUZZLE NO. 1



Two Paris Bistros, 60 Years Apart

By Patricia Wells International Herald Tribune

PARIS — Back in 1932, when Pauline Larcier opened Aux Crus de Bourgogne near the Les Halles wholesale fruit and vegetable market, she decided to offer nonbistro fare at bistro prices.

"She was the Darty of her day," jokes her grandson Francis Bouvier, referring to a popular appliance-store chain. He took over the lively bistro when she died a decade ago.

Today, about the only things that have changed are the phone number and the prices of the fine grass and langouste.

At 75 francs each, the two luxury items are still relative bargains. Francis continues to prepare his grandmother's recipe, and they still ship seven to eight tons of langouste (plump spiny lobster) from the Breton port of Roscoff to Paris each year.

Walking in the door at Aux Crus de Bourgogne is like wandering into a 1930s film, where everything is in black and white and everyone is speaking rapid-fire French in high-pitched Parisian voices.

The electronics giant expects to begin distribution later this year of a series of music compact disks that are being sold in Japan. Lisa Baldino, a spokeswoman, said they will be available in 74 countries of music onto a disk 1 1/2 inches in diameter.

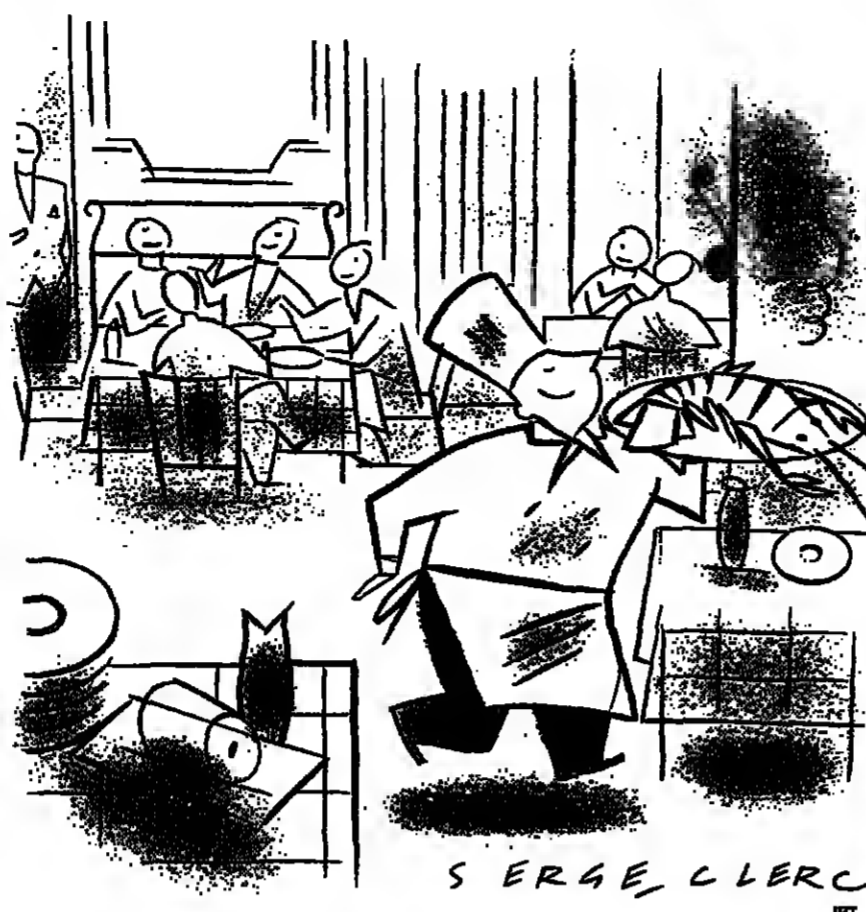
Other development is the digital cassette, set to be launched in Europe by Philips and Matsushita. A DCC is the same size as a conventional cassette, but it will have the sound quality of a CD.

Not surprisingly, the clientele is very up-to-date, mostly young professionals on the way home from work.

The food is fine, without fanfare: fresh poached langouste, split and served at room temperature with a servicable mayonnaise. Authentic coq au vin, prepared with fine, mature chicken.

Desserts — a lemon meringue pie and clafoutis — are better forgotten. The wine list offers a standard choice, with a very drinkable Morgon, a cru Beaujolais, for 130 francs (about \$23).

Following in the footsteps of chefs around the world, the Michelin two-star restaurateur Jacques Cagna has opened his own bistro around the corner from the Left Bank restaurant that bears his name. Called La Révisserie d'en Face, it is bright, modern, uncomplicated and bustling, just the style of place young Parisians are after.



SERGE CLERC

With simple tiled floors, a sunny ochre-colored color scheme, and a giant roisecroûte, Cagna's new bistro offers a single prix-fixe menu at lunch and dinner, three courses at 160 francs.

The clientele is young and trendy, service is well-meaning but slightly disorganized, and the wine list offers a fair variety, including an excellent Saint-Joseph from Jean Marsanne, priced at under 150 francs, or a white Burgundy, an Aligoté from Jean-Marie Brocard at 105 francs.

The multigrain bread is homemade, and delicious, and desserts include a fine warm apple tart, tarte alsacienne aux pommes.

Aux Crus de Bourgogne, 3 Rue Bachaumont, 75002 Paris; tel: 42.33.48.24. Closed Saturday and Sunday. Credit card: Visa. A la carte, 200 francs.

La Révisserie d'en Face, 2 Rue Christine, 75006 Paris; tel: 43.26.40.98. Closed Saturday lunch and all day Sunday. Credit card: Visa. Menu at 160 francs. Prices include service but not wine.

Shopping in South Delhi Market

By Susan Keselenko Coll

NEW DELHI — Tourist taxi drivers won't take you to the Sunder Nagar Market. That's because merchants in this cluster of dimly lit, dusty shops with an eclectic array of tribal art, antiques and kitsch refuse to pay commissions to drivers accustomed to kickbacks at better known tourist haunts.

For the visitor in search of something beyond the standard Indian fare of mirrored cushion covers, handblock fabrics, and gems that may or may not be worth their purchase price, this South Delhi market is a must.

A trip to Lall's Copper and Brass Palace is as close as many a visitor will come to the tribal state of Nagaland — Lall's back room is a wall-to-wall smorgasbord of wooden tribal art from the northeastern state that borders Burma.

Shopping in this neighborhood can be hit-or-miss, and sometimes requires a sense of humor. In India, any imported item tends to be considered exotic, and one shop owner proudly displays empty bottles of Christian Dior and Hugo perfumes and a gaudy paperweight from England with an asking price of \$75.

Whimsical souvenirs, such as Friends Oriental Art's wooden musicians from Rajasthan and painted camel-bone picture frames, offer



Carved masks on sale at Lall's in the Sunder Nagar market.

little challenge in terms of determining authenticity. Serious collectors, however, must remain on guard to verify both the age and value of an item. By law, any object older than 100 years is considered an antique, and is not exportable.

Shop owners are eager to enhance prices by insisting that such items as used spectacles, rusty pocket knives and colored glass bottles, are antiques. Yet when confronted with the question whether an object is exportable, they may suddenly retract their earlier claim.

Whether or not one leaves Sunder Nagar with a rare catch doesn't really matter; a trip to the market is time well spent away from Delhi's tourist emporiums and five-star hotels, where shopping is both expensive and predictable.

The market is open Monday through Saturday, 10 A.M. to 7 P.M.

Whether or not one leaves Sunder Nagar with a rare catch doesn't really matter; a trip to the market is time well spent away from Delhi's tourist emporiums and five-star hotels, where shopping is both expensive and predictable.

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Susan Keselenko Coll is a free-lance writer based in New Delhi.

DO'S AND DON'TS

- Antiques: Don't purchase items considered antiques; regulations prohibit export of any item more than 100 years old. Bargaining: Do negotiate over price, though not all merchants are willing to bargain. Taxi Drivers: Do be firm with taxi drivers regarding your destination; Drivers prefer to take you to shops where they may receive commissions. Payment: Do insist on your preferred method of payment; most shops accept major credit cards, though some prefer cash.

THE ARTS GUIDE

AUSTRIA Vienna Centre for Contemporary Art (tel: 587.96.65). To March 22: Largest exhibition of Japanese art ever sponsored abroad by Tokyo's Fuji Art Museum.

BRUSSELS Musée d'Art Moderne (tel: 513.96.30). To March 29: Paintings and ceramics by Alfred William Finch, the turn-of-the-century Belgian artist whose work was strongly influenced by Gauguin.

GLASGOW Theatre Royal (tel: 332.9000). Scottish Ballet's premiere of "Coppelia," one of the last productions in the lavish theatrical tradition of the French Second Empire. March 12-14, 16-21.

LONDON Barbican Centre (tel: 638.4141). To March 24: "Shine and Other Paintings." Works revealing influence of Eastern philosophy on the contemporary British painter Jennifer Durrant.

PARIS Centre Georges Pompidou (tel: 42.77.12.33). March 7-15: 14th International Ethnographic and Sociological Film Festival. To May 4: First major retrospective of the American architect Louis I. Kahn (1901-74). Also, more than 100 oil paintings, watercolors, inks and ceramics by Georges Rouault.

MUNICH Munchner Stadt Museum (tel: 283.22948). To March 22: "Annie Leibovitz Photographs 1970-90." Major retrospective of one of America's most celebrated portrait photographers.

FLORENCE Palazzo Strozzi (tel: 21.58.90). To March 8: Largest exhibition shown in Italy of works by Gustav Klimt, including 44 oil paintings, 64 drawings and 21 posters.

KYOTO National Museum of Modern Art, Kyoto (tel: 761.4111). To March 29: "Vincent van Gogh and Japan." An exploration of the influence Japan had on the painter.

GENEVA Musée d'Art Contemporain (tel: 29.91.46). To March 15: First major retrospective of photos by Robert Mapplethorpe. Includes over 170 works from private and gallery collections.

LOS ANGELES Norton Simon Museum (tel: 442.58.40). To March 8: "Impossible Realities: Marcel Duchamp and the Surrealist Tradition." Works by European and American artists such as Magritte, Man Ray, Calder and Ernst.

AMSTERDAM Nederlandse Opera (tel: 625.5455). Premiere of "Mitrídate," Mozart's first opera seria, composed for the Milan carnival season is conducted by Harmut Haenchen and features Bruce Ford and Susan Patterson. March 5, 9, 12, 15, 17, 20, 23, 26, 29 and April 1.

BARCELONA Fundació Antoni Tàpies (tel: 487.03.15). To March 29: "Communication on the Wall." Study of the Catalan artist's "matter paintings" which brought Tàpies significant acclaim in the '50s and '60s.

NEW YORK IMA Gallery of Science and Art (tel: 746.3500). To March 28: "Sport in Art from American Museums." Metropolitan Museum of Art (tel: 525.77.10). To Aug. 30: "Flowers and Leaves: The Ottoman Pottery of Iznik." Iznik ceramics from the 15th to the 17th century.

WASHINGTON Corcoran Gallery (tel: 638.3211). To March 22: "An Uncertain Grace." Photographs of Brazilian photographer Sebastião Salgado record the lives and hardships of ordinary people in South America and Africa.

AMSTERDAM Nederlandse Opera (tel: 625.5455). Premiere of "Mitrídate," Mozart's first opera seria, composed for the Milan carnival season is conducted by Harmut Haenchen and features Bruce Ford and Susan Patterson. March 5, 9, 12, 15, 17, 20, 23, 26, 29 and April 1.



"Kareem Abdul-Jabbar" at New York's IBM Gallery.

ence of Eastern philosophy on the contemporary British painter Jennifer Durrant.

- ACROSS 1 Sattled 5 Stir-ry utensil 8 Speed meas. 11 Coleridge product 12 Sash for Cio-Cio-San 13 Belong intrinsically 16 Moccasin's discovery? 18 Tolkien badlands 19 Peculiarity 20 Has-bean's admission? 21 Look after 22 Bill's partner 23 German article 24 Snow coasters 26 Point out 28 Nancy's man 30 Most doubtful 32 Issue 33 Straddling 36 Leftover 41 "Little Woman" sister 42 Track event 43 Cha-cha's cousin 47 — de veau 48 Private eye 49 Fuss 50 Cleric's announcement? 53 Type of exercise 55 Of any kind 57 Miss Manners's assumption? 58 Put into a cipher 59 Avril follower 60 Trudge 61 Salon service 62 Ampersand 63 Companion of now

Solution to Puzzle of Feb. 27. A crossword puzzle grid with filled-in letters.

- DOWN 1 Diva's solo 2 Describe 3 Vodka's boast? 4 Allied 5 Soccer's Cup 6 Mind 7 Billy, a.g. 8 Indian Ocean arm 9 Toast 10 Unruffled 11 Prim woman's declaration? 14 M-O link 15 Social-services org. 17 Holm end Richardson 20 Mediterranean sea 22 Mail-order abbr. 24 Producer's favorite letters 25 Grant or Gehrig 27 Real ending 28 Middle pt. 30 Adolescent's misconception? 31 August Wilson play 33 Millau for a D.A. 34 Poat's preposition 36 Trailer's observation? 37 Society bud 38 Kind of trip 40 Org. once headed by L. Strauss 42 Looped upholstery fabrics

Iznik dish at the Metropolitan Museum in New York. A photograph of a ceramic dish.

A crossword puzzle grid with some numbers filled in.

- 43 Lemon, in Capri 44 Appearance 45 Former Italian statesman 46 Lyricist Green 48 Not so hot 49 Basso Vinco 52 Rail. work 53 "Give — a horse..." 54 Believe — not 56 Yield 57 Ms. Hogg

WORLD TRADE & INVESTMENT EMERGING BLOCS & OPPORTUNITIES FOR GLOBAL GROWTH. LE GRAND HOTEL, PARIS, APRIL 2 - 3, 1992. Co-sponsored by the International Herald Tribune & the International Chamber of Commerce. KEYNOTE ADDRESS: Arthur Dunkel, Director General, GATT; Jürgen Möllemann, Economics Minister, Germany. EMERGING TRADE BLOCS: EUROPE; THE AMERICAS; ASIA & THE PACIFIC RIM. CONFERENCE CHAIRMAN: Joseph E Connor, Chairman, Price Waterhouse World Firm & President, International Chamber of Commerce.

Vertical text on the left margin, including "w Elite" and "Falling From Grace".

NASDAQ

Thursday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

High	Low	Stock	Div	Yield	PE	High	Low	PA	Chg
52 1/2	51 1/2	AMC	1.00	5.00	14.0	52 1/2	51 1/2	100	+
104 1/2	103 1/2	ATM	1.00	5.00	14.0	104 1/2	103 1/2	100	+
104 1/2	103 1/2	BIO	1.00	5.00	14.0	104 1/2	103 1/2	100	+
104 1/2	103 1/2	DOE	1.00	5.00	14.0	104 1/2	103 1/2	100	+
104 1/2	103 1/2	PLD	1.00	5.00	14.0	104 1/2	103 1/2	100	+
104 1/2	103 1/2	WOL	1.00	5.00	14.0	104 1/2	103 1/2	100	+
104 1/2	103 1/2	WOL	1.00	5.00	14.0	104 1/2	103 1/2	100	+
104 1/2	103 1/2	WOL	1.00	5.00	14.0	104 1/2	103 1/2	100	+
104 1/2	103 1/2	WOL	1.00	5.00	14.0	104 1/2	103 1/2	100	+
104 1/2	103 1/2	WOL	1.00	5.00	14.0	104 1/2	103 1/2	100	+

AMEX

Thursday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

High	Low	Stock	Div	Yield	PE	High	Low	PA	Chg
111 1/2	111 1/2	AMC	1.00	5.00	14.0	111 1/2	111 1/2	100	+
111 1/2	111 1/2	ATM	1.00	5.00	14.0	111 1/2	111 1/2	100	+
111 1/2	111 1/2	BIO	1.00	5.00	14.0	111 1/2	111 1/2	100	+
111 1/2	111 1/2	DOE	1.00	5.00	14.0	111 1/2	111 1/2	100	+
111 1/2	111 1/2	PLD	1.00	5.00	14.0	111 1/2	111 1/2	100	+
111 1/2	111 1/2	WOL	1.00	5.00	14.0	111 1/2	111 1/2	100	+
111 1/2	111 1/2	WOL	1.00	5.00	14.0	111 1/2	111 1/2	100	+
111 1/2	111 1/2	WOL	1.00	5.00	14.0	111 1/2	111 1/2	100	+
111 1/2	111 1/2	WOL	1.00	5.00	14.0	111 1/2	111 1/2	100	+
111 1/2	111 1/2	WOL	1.00	5.00	14.0	111 1/2	111 1/2	100	+

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111 1/2	111 1/2	BIO	1.00	5.00	14.0	111 1/2	111 1/2	100	+
111 1/2	111 1/2	DOE	1.00	5.00	14.0	111 1/2	111 1/2	100	+
111 1/2	111 1/2	PLD	1.00	5.00	14.0	111 1/2	111 1/2	100	+
111 1/2	111 1/2	WOL	1.00	5.00	14.0	111 1/2	111 1/2	100	+
111 1/2	111 1/2	WOL	1.00	5.00	14.0	111 1/2	111 1/2	100	+
111 1/2	111 1/2	WOL	1.00	5.00	14.0	111 1/2	111 1/2	100	+
111 1/2	111 1/2	WOL	1.00	5.00	14.0	111 1/2	111 1/2	100	+
111 1/2	111 1/2	WOL	1.00	5.00	14.0	111 1/2	111 1/2	100	+

AMEX

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111 1/2	111 1/2	ATM	1.00	5.00	14.0	111 1/2	111 1/2	100	+
111 1/2	111 1/2	BIO	1.00	5.00	14.0	111 1/2	111 1/2	100	+
111 1/2	111 1/2	DOE	1.00	5.00	14.0	111 1/2	111 1/2	100	+
111 1/2	111 1/2	PLD	1.00	5.00	14.0	111 1/2	111 1/2	100	+
111 1/2	111 1/2	WOL	1.00	5.00	14.0	111 1/2	111 1/2	100	+
111 1/2	111 1/2	WOL	1.00	5.00	14.0	111 1/2	111 1/2	100	+
111 1/2	111 1/2	WOL	1.00	5.00	14.0	111 1/2	111 1/2	100	+
111 1/2	111 1/2	WOL	1.00	5.00	14.0	111 1/2	111 1/2	100	+
111 1/2	111 1/2	WOL	1.00	5.00	14.0	111 1/2	111 1/2	100	+

WALL STREET
Investor
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CURRENCY
Cross Rates

US Dollar	100.00
British Pound	160.48
Japanese Yen	146.36
Canadian Dollar	74.51
Swiss Franc	133.75
West German Mark	163.65
French Franc	66.65
Italian Lira	2036.26
Spanish Peseta	166.64

Other Dollar Values

US Dollar	100.00
British Pound	160.48
Japanese Yen	146.36
Canadian Dollar	74.51
Swiss Franc	133.75
West German Mark	163.65
French Franc	66.65
Italian Lira	2036.26
Spanish Peseta	166.64

Interest Rates

3 Month	5.75
6 Month	5.87
9 Month	6.00
12 Month	6.12

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The Jewel of Asia
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FLY ASIANA TO SEOUL
BANGKOK 240-7700 HONG KONG 523-9585 TOKYO 5472-6600 LOS ANGELES 241-0020 SINGAPORE 225-3064

WALL STREET WATCH

Investors Look for Jewels in Defaulted Junk Bonds

By Floyd Norris
New York Times Service

NEW YORK — For a quick profit, buy bonds from companies that cannot pay their bills. If that sounds absurd, then you are not with the current spirit of Wall Street. Profits are accumulating for investors in defaulted bonds as the prices of such securities are rapidly bid up.

In January, an index of such bonds leaped 7.1 percent. A similar surge in early 1991 was enough to make last year the best in the index's five-year history, with a rise of 43.1 percent.

That performance was a testament to the vitality of the junk-bond market, and an indication of how negative the psychology on such bonds had become by late 1990, when the index bottomed, having lost 17.1 percent of its value in a year and 36 percent over two years.

The barometer, the Altman-Merrill Lynch index of defaulted debt securities, is made up of bonds in default, often because the companies have filed for bankruptcy protection. The bonds go into the index only after the default occurs — usually well after the prices of the bonds have plunged.

They come out of the index after they resume paying interest or, more likely, after the company is restructured and bondholders get cash or securities that provide a partial payment of their claims.

Given that defaulted bonds pay no interest, often for prolonged periods, buyers are betting on price increases during the restructuring periods. And they are betting that restructuring will not leave bondholders with almost nothing to show for their investments. That can happen, as some Pan Am Corp. bondholders can attest.

"As best that I can tell, the market's rebound in 1991 has caused prices to come back to fairly reasonable levels, given the prospects of the firms that comprise the index," said Edward I. Altman, the designer of the index and a finance professor at New York University.

THAT REBOUND certainly helped bonds even before they defaulted. Mr. Altman calculated that in 1991, the average bond that defaulted traded for 36 cents on the dollar immediately after default, up from 23 cents for bonds that defaulted in 1990. Moreover, prices of bonds entering default were rising throughout the year, reflecting the increased optimism of investors.

Given that performance, it is not surprising that the biggest profits from distressed securities came early in 1991, before the general bidding up of prices on bonds of companies that seemed headed toward default. The index, in which the prices on Dec. 31, 1986, equal 100, rose to 170 at the end of July. It then fell back until regaining that level last month.

A theoretical investor in defaulted securities who bought at the end of July and sold at the end of January would have a profit of only 0.6 percent, far less than the return on Treasury bills.

One indication of just how far the market for defaulted securities had fallen is that the index peaked at the end of 1983 at 174, still a bit above the 171 at the end of January.

Mr. Altman noted that one factor raising returns recently was the willingness of stock-market investors to pay high prices for shares in companies coming out of bankruptcy.

"There is an expectation that the equities of these companies are quite valuable," he said, pointing to Federated Department Stores Inc., whose shares began trading this month at prices as high as \$18.25, well above some estimates. They have since dropped below \$16.

For investors who are considering buying defaulted bonds, or participating in the growing number of mutual funds and investment partnerships that do so, the important question is whether prices have risen too far.

"There are some companies that are up so far that it is hard to understand," said John Boland, the manager of the Remnant Fund in Baltimore, which invests in defaulted bonds. But he added that other companies remained reasonable buys.

Stock-market investors remain willing to help companies emerge from bankruptcy.

Does Iacocca Know About This Dodge?

By David E. Sanger
New York Times Service

NAGOYA, Japan — When Lee A. Iacocca, the chairman of Chrysler Corp., demands that America take a stand against Japanese car imports, surely he can't be talking about No. 11AMRXL2D19W-C06, which rolled off the line here the other day.

That car was produced by Japanese workers all wearing neat uniforms with "Mitsubishi Motors" emblazoned on the back. But the sporty, bright red model is a Dodge Stealth, made by Mitsubishi, and sold in America starting at about \$17,000.

The only thing that makes it seem American is "Dodge" etched in the front bumper.

Mr. Iacocca made no mention of Mitsubishi's Nagoya plant when he visited Japan with President George Bush in January, and these days people at the plant say as little as possible about Mr. Iacocca.

"We feel a little funny about him," Kezo Naruse, the deputy general manager, conceded the other day. "Here he is talking about keeping Japanese cars out of America, and every day we come to work and make very good Chrysler's."

The buy-American movement in the United States provokes continuing confusion about what constitutes the more American car — is it better to buy a Honda, made in Ohio, or a Ford Mustang also produced in Ohio in a joint venture with Nissan? There is little question about the national origin of the 164,352 vehicles produced in Japan last year and sold as Chryslers, Dodges and Chevrolets. They are thoroughly Japanese.

But the fact that they keep

Japan Auto Exports Soar

TOKYO — Japanese vehicle exports in January marked their largest rise since December 1990, bolstered mainly by robust demand in the Middle East and Latin America, an industry group reported Thursday.

January vehicle exports totaled 545,693 units, up 6.7 percent from a year ago, said the Japan Automobile Manufacturers Association.

"Car demand in the Middle East began to surge after the end of the Gulf War brought political stability to the area," an official of the association said. Vehicle exports to the Middle East totaled 49,923 units in January, up from 10,107 a year ago.

Car demand in Latin America is growing because the economic situation there is improving, an analyst at a Japanese research institute said. In January, Japan exported 23,335 vehicles to Latin America, up sharply from the 18,235 shipped there a year earlier.

"But there is no guarantee that exports to Latin America will keep growing," the analyst said. "Economic instability in some of the countries there may cause demand to turn around quite suddenly."

In January, declining demand in the United States, one of Japan's largest overseas markets, offset an increase in exports to Europe, Japan's other major market, the automobile association official said.

Exports to Europe grew 11.5 percent from a year earlier to 205,708 vehicles, but a slow economy depressed shipments to the United States to 162,498 units, down 15.2 percent from previous-year levels.

Without question, the cars Japanese makers produce for the Big Three account for a significant part of the American market. Last year Japanese cars accounted for a bit more than 30 percent of the American market, up from 27.8 percent the year before.

But if autos made for GM and Chrysler here, and at Japanese or joint-venture "transplants" in America are included, the true Japanese market share exceeded 36 percent. In one way, the figure is even higher. By some estimates, the Japanese share of retail auto sales in America — excluding Detroit's sales to the car rental fleet — is close to 50 percent.

What makes the Mitsubishi-Chrysler arrangement particu-

ly noteworthy, though, is that by Chrysler's own description it has been an overwhelming success.

"The Stealth is one of our hottest cars, even in a depressed market," said Luis Franco, who heads Chrysler International's liaison office here. "Obviously, we are very happy with Mitsubishi as a supplier and partner."

But Mitsubishi's executives openly praise Mr. Iacocca's oratory, and in a subtle way have begun to fight back. In recent weeks, Mitsubishi's top American officer, Richard D. Rocchia, formerly of Chrysler, has done what other Japanese automakers have been loath to try: He has taken Mr. Iacocca head on.

The conflict between the two has stepped up since Mr. Iacocca, returning from Tokyo, declared that America was being transformed into an explicit colony, exporting raw materials to Japan and buying back expensive manufactured goods.

When Mr. Rocchia told the National Automobile Dealers Association recently that anti-Japanese feeling in Detroit has "reached down to tap latent racial prejudice," his comments were prominently reported here.

So was his contention that legislation to limit Japan's American market presence would cost thousands of American jobs and "perpetuate fundamental problems in the U.S. economy."

"I can't help but believe that the emotional response we see today is in some way attributable to comments from politicians and U.S. executives following that trip," he said to the dealers who met for their annual convention in Dallas.

A senior Japanese executive of See DODGES, Page 13

Leaner Philips Springs Back to Profit for Year

By Roger Cohen
New York Times Service

PARIS — In a remarkable corporate turnaround at a time of industry-wide difficulties, Philips NV, Europe's largest consumer electronics business, on Thursday announced 1991 net profit of 1.2 billion guilders (\$648 million) after a loss of 4.24 billion guilders the previous year.

The surprisingly strong results suggested that, with drastic restructuring, Europe's electronics companies can compete globally. Coming as Philips' arch-rival, Sony Corp., has just announced a fourth-quarter loss of \$156 million, analysts said the performance was particularly impressive.

"It's a turn-up for the book, one for the Europeans over the Japanese," said Bill Coleman, an electronics analyst at James Capel. "Unlike Sony, Philips entered the recession on a strong restructuring note, and that has now paid off."

The sharply improved performance chiefly reflected the effects of drastic cost-cutting, rather than any marked improvement in sales.

The company's president, Jan Timmer, expressed disappointment at the "adverse trading conditions in consumer electronics in particular." This sector accounts for 47 percent of Philips' sales.

For the fourth quarter, a period in which analysts were concerned that Sony's losses might presage negative results at Philips, the Dutch company reported net profit of 327 million guilders, against a loss of 2.45 billion guilders in the same period of 1990.

Sales for the year rose 2.2 percent to 56.99 billion guilders, from 55.76 billion guilders in 1990.

A company spokesman said the company's professional products and systems sector — which includes medical systems, industrial electronics and semiconductor — had fared particularly well in the quarter.

"If we look at 1991 in its totality, we are not dissatisfied with what we have achieved," said Mr. Timmer.

But for the second year running, the company opted to pay no dividend, preferring to conserve resources at a time of heavy investment in new products and continuing worldwide economic uncertainty.

"The market may not be too pleased about the dividend decision," said Anne McIvor, an analyst of the Dutch market at Hoare Govett. "But I think it will reward their need to improve their equity base at this time, and will be particularly impressed by the excellent fourth quarter."

Indeed, Philips stock jumped 3.20 guilders to close at 35.60 on the Amsterdam stock exchange.

Under Mr. Timmer, who has been with the company 39 years and was appointed president in mid-1990, Philips has rapidly refashioned itself in a way that has surprised those who believed a company stalwart would be unable to shake up Philips' notoriously bureaucratic culture.

Last year about 24,000 jobs, or 9 percent of the total, were cut. Overall, the company has slashed its work force to 240,000 from 283,000 since Mr. Timmer took over.

The company's loss-making in Sales for the year rose 2.2 percent. See PHILIPS, Page 12

Car Dealer Lifts Profit by Dropping Salesmen

By Frank Swoboda
Washington Post Service

ST. PETERSBURG, Florida — George Fischell knew how to deal with pushy, high-pressure car salesmen. He fired them.

That was two months ago, when Mr. Fischell, the general manager of Swanson Chrysler Plymouth, decided to fire the dealership's 14 salesmen and sell cars at a no-haggle, take-it-or-leave-it fixed price. Since then, sales have doubled despite the recession, sales-related costs have been cut by 30 percent, and Swanson is again selling new cars at a profit.

Swanson leaves all cars unlocked so customers can crawl in and out, and it allows anyone who leaves a copy of a driver's license

behind to test drive a car without someone from the dealership at his side.

A showroom sign proclaims: "In a dramatic step to reduce prices and customer cost, Swanson Chrysler Plymouth has decided to eliminate salespeople. The savings are passed on to you, the customer. All prices are clearly marked. Should you need any assistance, please come in and ask for one of the managers." Local advertising stresses all that, too.

"The other dealers hate us," Mr. Fischell said. But after seeing his sales go from an average of 66 new cars a month to 120 a month since dropping his salesmen, he insists "this is the way it should be done."

Prices at Swanson are not necessarily lower than those buyers might get at another dealer if they are willing to bargain with a salesman. And customers are free to use the price at Swanson for comparison shopping.

Ted Orme, chief spokesman for the National Automobile Dealers Association, insisted that the Swanson approach was just a flash in the pan. "Our basic position is that you need a salesman," he said. "Somebody has to be there to answer questions. It's a very difficult market for consumers."

But a handful of other dealers around the country also are beginning to experiment with the idea, which could eventually make the purchase of a car like buying a refrigerator or a washing machine.

CURRENCY RATES

Country	Rate	Country	Rate	Country	Rate	Country	Rate
Australian dollar	1.3820	British pound	1.6250	Canadian dollar	0.7325	French franc	6.5450
Deutsche mark	1.3600	Italian lira	2036.00	Japanese yen	163.20	Netherlands guilder	3.6360
Hong Kong dollar	7.7800	New Zealand dollar	0.8050	Swedish krona	8.4600	Swiss franc	1.4820
Israeli sheqel	1.8000	South African rand	1.6600	Taiwan dollar	36.4000	West German mark	1.3600
Korean won	200.0000	U.S. dollar	1.0000	Yen	163.20		

INTEREST RATES

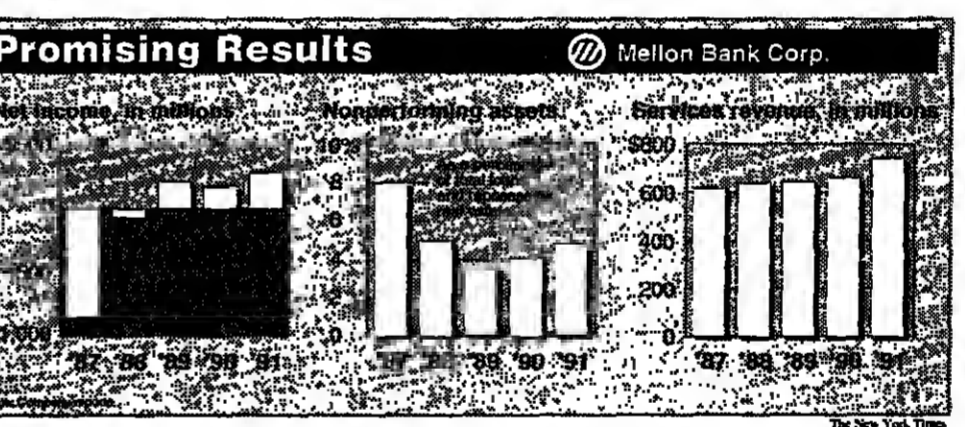
Term	Rate	Term	Rate	Term	Rate
1 month	4.50%	3 months	4.50%	6 months	4.50%
9 months	4.50%	12 months	4.50%		

Instrument	Rate	Instrument	Rate
3-month T-bill	5.17%	3-month Eurodollar	4.50%
6-month T-bill	5.17%	6-month Eurodollar	4.50%
1-year T-bill	5.17%	1-year Eurodollar	4.50%

Mellon: Back in The Cash

By Eric N. Berg
New York Times Service

PITTSBURGH — Five years after a double slug of bad real estate and energy loans sent it reeling, Mellon Bank Corp. has regained much of its strength. While problems remain, like the fallout from past real estate lending, the bank founded 123 years ago by the Mellon family has broken with its past as a corporate lender and managed to find profits elsewhere.



Under Frank V. Cabot, who is chairman, president and chief executive, Mellon has sharply reduced its inventory of bad loans and curbed its corporate lending, where the headaches are big and the profits are small. The strategy involves lending to small companies and consumers, where growth and profits are most imminent.

Most important, Mr. Cabot has expanded Mellon's service businesses, such things as overseeing personal investments, managing cash for corporations and handling data-processing for smaller banks.

While these businesses had been important to Mellon, under Mr. Cabot they have become the centerpiece for the bank's recovery. They contribute a rising share of revenue and the largest single portion — an estimated 40 percent — of Mellon's record 1991 profit.

The business shift has also caused a big swing in the mix of Mellon's \$2.4 billion in assets. Consumer lending, which at the end of 1986 accounted for 19 per-

cent of Mellon's total, is now 34 percent. Lending to blue-chip companies has fallen, slightly since 1986, to about 46 percent of assets from 50 percent.

"The momentum in Mellon's service business is tremendous," said Livia S. Asher, an analyst at Merrill Lynch.

Still, Mellon is not without troubles, nor its strategy without skeptics. With 31 percent of its real estate loans nonperforming, analysts say, Mellon may have to take additional write-downs against income to account for further declines in property values.

Mellon's operating expenses have also been rising rapidly. And while profit margins remain rich in Mellon's service businesses, the margins are under pressure from price cutting.

Mellon also has an investor-relations problem. A 1988 decision to sell \$1.4 billion in bad loans at a loss chafed investors.

Investors also were piqued by Mellon's step that year to build its capital by selling stock to a European investor group, E.M. Warburg, Pincus & Co., which diluted existing shareholders' ownership and gave Warburg 16 percent of Mellon's common stock, making it Mellon's largest single shareholder.

For 1991, Mellon reported record earnings of \$280 million, or \$4.66 a share, up from \$174 million, or \$2.83 a share, in 1990.

Return on assets, a widely cited measure of a bank's profitability, stood at an impressive 0.96 percent of assets — eighth best among the top 25 U.S. banks as ranked by assets, and in line with the industry's 1 percent goal.

Those profits earned Mellon's employees a paid day off this year. Last year, by contrast, merit pay increases were deferred for all workers, and bonuses and vacations for top officers were slashed after a 1990 fourth-quarter loss of \$99 million.

Mr. Cabot's first big move, novel in 1988, was for Mellon to accept a few cents on the dollar on a bad loan to be rid of it, instead of waiting years to collect a little more. This "good bank/bad bank" strategy, as it is known in the industry, allowed Mellon, as the "good" bank, to keep its performing loans, and sweep away \$1.4 billion in troubled loans by selling them to a "bad" bank called Grant Street National Bank.

The sale cut Mellon's nonperforming asset ratio to 5.03 percent at the end of 1988, from its 8.01 percent peak in 1987, when rumors

EC Decisions Face New Legal Hurdle

By Charles Goldsmith
International Herald Tribune

BRUSSELS — A European Community court threw out Thursday a multimillion-dollar fine on 14 chemical companies in a ruling that could lead to challenges to countless other decisions by the EC Commission going back as far as three decades.

The Court of First Instance, a branch of the European Court of Justice, said the EC Commission had failed to follow its own procedures in fining the companies 23.5 million European Currency Units (\$29 million) for a price-fixing cartel in 1988.

The ruling marked the second serious court setback for the commission this month, following a decision that quashed a commission order that British Aerospace PLC pay back 44.4 million Ecus in illegal subsidies it received from the British government.

"It's been a nightmare today trying to work out the implications of this thing," a commission official said of the decision, which turned in part on a missing footnote in a German translation of the commission's decision.

EC lawyers feverishly studied the 52-page ruling to determine its potential impact, with no clear-cut verdict by day's end. The commission must decide whether to appeal the ruling to the full EC Court of Justice.

Some officials feared that the language of the Court of First Instance was so broad that it could affect hundreds of commission decisions reached over the past 30 years, leaving them open to legal challenge, while others suggested that the facts of the chemical case were unique.

Most troubling to the commission was the court's finding that rules requiring the commission president and its secretary general to sign all commission acts had been violated. In practice, officials only sign minutes of the meetings and legal experts draft texts of the decisions.

The commission's president, Jacques Delors, also was found to have erred in not signing all of the texts of the decision in the five languages in which the companies had to be notified.

"What this ruling could imply is that every translation has to be signed by the commission president," an official said.

Officials noted that the ruling's retroactive effect would likely be limited by the two-month deadline for appealing commission rulings to the Court of Justice.

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We are pleased to announce the dates for the two major energy forums co-sponsored by the International Herald Tribune and The Oil Daily Group.

- Oil & Money: Asia & the Pacific
Sheraton Towers
Singapore
May 11 - 12
- Oil & Money
Inter-Continental Hotel
London
November 16 - 17

For further information, please contact:
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Algeria Wins Credit to Refinance Debt

PARIS — Algeria was given access to \$1.45 billion in credit to refinance existing bank debt as banks took a calculated risk on the country's stability and governments applied pressure, bank and political sources said Thursday.

The country, whose external debt is estimated at \$25 billion, has faced a bunching of debt-service payments falling due between 1991 and 1993. More than \$8 billion in principal and interest payments is due this year.

The credit, agreed upon late Wednesday after Bankers Trust Co. of the United States ceded its position, will give Algeria cash to service its debt, in effect replacing old loans with a new, longer one.

The new loan was approved despite bankers' worries over the country's political stability. It was originally agreed before a military-backed presidency took over in January and

cancelled the second round of a general election that the fundamentalist Islamic Salvation Front seemed certain to win.

Western governments have been ambiguous in their reaction to the political events. While they were pleased to see that an Islamic state had been averted, they were troubled by the undemocratic way this was brought about.

In the end, a London bank official said that Bankers Trust had realized that holding back from the deal would have hit not only its reputation but its pocket as well. It also would have had an adverse effect on Algeria.

"A rescheduling would have been bad for everybody," the official said.

A Bankers Trust official described the credit as a good one for Algeria, and said, "After long and hard consideration of the question, we decided it was in the best interests of Bankers Trust to participate."

Governments also were involved. Finance Minister Pierre Bertogovoy of France said Thursday that there had been exchanges between the French and U.S. governments on the matter.

Accord Eases Brazil Debt Burden

Brazil said Thursday that it had reached an accord to reschedule two-thirds of its \$21 billion debt to the Paris Club of international creditors. The Associated Press and Reuters reported from Brasilia.

Under the agreement reached in Paris, Brazil is to pay \$4.1 billion in back interest and principal by August 1993, said Economy Minister Marcellus Moraes.

Another \$9.4 billion in debt would be rescheduled over 14 years, with a three-year grace period, while the remaining \$7.5 billion would be repaid under existing terms.

MARKET DIARY

Blue Chips Retreat, Other Issues Steady

NEW YORK — Stock prices ended mixed Thursday, with the blue-chips in the Dow Jones industrial average tacking back from the record reached on Wednesday while most issues posted weak gains.

The Dow industrials fell 11.87, to 3,271.45, but advancing issues

on the New York Stock Exchange edged on decliners by an 13-to-12 ratio. The generally smaller issues measured by the Nasdaq composite index rose 1.55 to 633.95, while the American Stock Exchange index was up 2.12 to 416.09.

Ricky Horington, director of investment policy and asset management at Marion Bass Securities in Charlotte, North Carolina, said it was "a normal profit-taking day. It's been the pattern every time we get to a new high."

Hospital Corp. of America placed the Big Bear accounts, quoted at 23% on its initial day of trading. The

hospital-management company's 34-million-share offering of its Class A common stock was priced at \$21.50 a share.

Glaxo Holdings followed off 1/4 to 28 1/2 after reports the Danish government asked the European Commission to examine the British company's drug pricing in Europe.

Warner-Lambert was third, down 4 1/4 to 64 1/4 after saying the Food and Drug Administration had raised questions about its application to market the cholesterol-regulating drug Lipid SR.

Also on the Big Board, shares of British Airways fell 2 1/4 to 46 1/4 and the Dutch national carrier KLM dropped 1 1/4 to 20 1/4 after the companies called off talks on a possible merger of their operations.

Memorex Telex led the OTC activists, inching up 3-16 to 1 13-16. But the big mover was Genasix Pharmaceuticals after the biotechnology concern announced positive testing results on its Arasine drug for coronary bypass patients. It closed up 12 1/2 to 62.

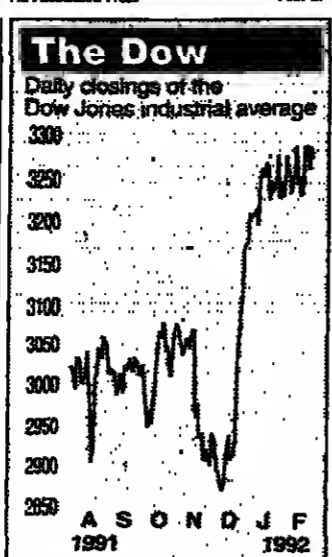


Table with columns: Vol., High, Low, Last, Chg. for NYSE Most Active.

Table with columns: Vol., High, Low, Last, Chg. for AMEX Most Active.

Table with columns: Vol., High, Low, Last, Chg. for NYSE Diary.

Table with columns: Vol., High, Low, Last, Chg. for Amex Diary.

Table with columns: Vol., High, Low, Last, Chg. for NASDAQ Diary.

Table: Dow Jones Averages. Columns: Index, High, Low, Last, Chg.

Table: Standard & Poor's Indexes. Columns: Index, High, Low, Last, Chg.

Table: NYSE Indexes. Columns: Index, High, Low, Last, Chg.

Table: NASDAQ Indexes. Columns: Index, High, Low, Last, Chg.

Table: AMEX Stock Index. Columns: Index, High, Low, Last, Chg.

Table: Dow Jones Bond Averages. Columns: Index, High, Low, Last, Chg.

Table: EUROPEAN FUTURES. Columns: Index, High, Low, Last, Chg.

Table: SUGAR (FOX). Columns: Index, High, Low, Last, Chg.

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Table: GERMAN GOVERNMENT BOND (LIFFE). Columns: Index, High, Low, Last, Chg.

Table: GASOLIN (NYMEX). Columns: Index, High, Low, Last, Chg.

Table: BRENT CRUDE OIL (NYMEX). Columns: Index, High, Low, Last, Chg.

Table: FTSE 100 (LIFFE). Columns: Index, High, Low, Last, Chg.

Table: SPOT COMMODITIES. Columns: Index, High, Low, Last, Chg.

Table: DIVIDENDS. Columns: Index, High, Low, Last, Chg.

Deal Will Leave Milken \$125 Million

NEW YORK (AP) — Lawyers for Drexel Burnham Lambert Inc. released details Thursday of a proposed \$1.3 billion settlement of lawsuits against the junk-bond pioneer, Michael R. Milken, a former star employee who is serving a 10-year prison sentence for fraud.

The settlement, which would leave Mr. Milken with about \$125 million, is designed to end all suits in the case, whose parties include the U.S. government, former Drexel employees and Drexel itself, which is in bankruptcy reorganization.

As previously reported, Mr. Milken would pay an additional \$300 million to settle the case. He earlier contributed \$400 million to a settlement fund administered by the Securities and Exchange Commission, as well as \$200 million in fines. Drexel's lawyers said that the \$500 million payment was about 80 percent of Mr. Milken's remaining wealth.

Figures Offset Brady's Optimism

NEW YORK (Reuters) — After Treasury Secretary Nicholas F. Brady voiced optimism that the U.S. recession would end soon, two reports released Thursday offered bad news: Existing home sales fell in January, while the number of Americans filing new claims for unemployment benefits rose for a second straight week.

"I see robins on the lawn in the economy now," Mr. Brady said late Wednesday. But the National Association of Realtors reported that sales of existing homes fell for the first time in four months, declining 1.5 percent in January, to a seasonally adjusted annual rate of 3.22 million.

The Labor Department said the number of Americans making first-time visits to unemployment offices climbed to 459,000 for the week ended Feb. 15, up 7,000 from the previous week.

House Panel Raises Tax Cost of S&Ls

WASHINGTON (AP) — A House subcommittee voted 25 to 11 on Thursday to add \$25 billion to the taxpayer cost of the savings-and-loan bailout, less than half the amount the administration requested.

Congress has already given the bailout agency, Resolution Trust Corp., \$105 billion, but Treasury Secretary Nicholas F. Brady says \$160 billion is needed.

Setbacks for Penney, Woolworth

NEW YORK (Reuters) — J. C. Penney Co. and Woolworth Corp. on Thursday said the past 12 months' results were hurt by huge one-time charges taken to shut stores and consolidate operations because of the recession.

J. C. Penney said its 1991 profit plummeted to \$80 million, equal to 39 cents a share, from \$777 million, or \$4.33 a share, a year earlier. Revenue fell to \$17.30 billion from \$17.41 billion.

Woolworth said it had a loss of \$166 million in its financial year ended Jan. 25, compared with a profit of \$317 million, or \$2.45 a share, a year earlier. Sales rose to \$9.91 billion from \$9.79 billion.

CD Producers Will Scrap Cardboard

NEW YORK (Reuters) — The recording industry hopped on the environmental bandwagon on Thursday saying it would eliminate excess cardboard packaging for compact discs within a year.

The disposable cardboard "long box," which has been used to package and market CDs virtually since they came on the market in 1983, will be stripped off, leaving the discs to be sold in the square plastic "jewel box" used by collectors to store them.

Franklin Confirmed for Commerce

WASHINGTON (Reuters) — The Senate on Thursday approved the nomination of Barbara H. Franklin, 51, as commerce secretary to replace Robert A. Mosbacher.

Dollar Loses Ground Ahead of GDP Report

NEW YORK — The dollar fell Thursday in nervous trading ahead of a report Friday on a revision of U.S. gross domestic product figures for the fourth quarter.

Economists were forecasting an upward revision in the GDP to a 0.6 percent gain after a previously reported 0.3 percent increase. The dollar jumped before mid-

day, when Treasury Undersecretary David C. Mulford said he was not worried about the current level of the dollar. Although the comment contracted fears of central bank intervention, the upward move was short-lived.

Leon Brand of Bear, Stearns & Co. said Mr. Mulford seemed to be reiterating official views that exchange rates should be stable. He added that there had been "rumors all over the place" about coordinated interest rate cuts com-

Philips: Leaner, the Electronics Giant Springs Back to a 1991 Profit

(Continued from first page) formation-systems division was sold to Digital Equipment Corp. of the United States last year. Interests in telecommunications and domestic appliances were also divested.

At the same time, Mr. Timmer invested heavily in the company's core consumer-electronics sector, acquiring new business and putting a new emphasis on software.

With consumer electronics still depressed — operating income in the sector fell by almost one-third last year — the ultimate success of this strategic choice still appears to hang in the balance.

Referring to this restructuring, Mr. Timmer said, "We know of no examples of large companies where such a process has been put into effect in a shorter period of time."

Still, the company sounded a cautious note in the light of continuing weakness in the consumer-electronics market, the high cost of investment in new products and the overall state of the world economy.

It is advisable to hold out the prospect of only a limited increase in sales and net income from normal business operations for 1992," Mr. Timmer said.

Among the new products Philips is working on is the digital compact cassette, which it hopes will take over from the cassette player in the same way as the compact disc took over from long-playing records.

It also is investing heavily in high-definition television, and has recently introduced the Compact Disc-Interactive (CD-I), a compact disc player that combines sound, images and graphics when hooked to a television screen.

The company is investing in software and distribution. Last year, it bought stakes in Blockbuster Entertainment Corp., the biggest operator of video stores in the United States.

U.S. FUTURES

Table: U.S. FUTURES. Columns: Season, High, Low, Open, High, Low, Close, Chg.

Table: GRAINS. Columns: Index, High, Low, Last, Chg.

Table: SOYBEANS (CBOT). Columns: Index, High, Low, Last, Chg.

Table: SOYBEAN OIL (CBOT). Columns: Index, High, Low, Last, Chg.

Table: LIVESTOCK. Columns: Index, High, Low, Last, Chg.

Table: METALS. Columns: Index, High, Low, Last, Chg.

Table: COFFEE (NYMEX). Columns: Index, High, Low, Last, Chg.

WORLD STOCK MARKETS

Table: WORLD STOCK MARKETS. Columns: Market, Index, High, Low, Last, Chg.

Table: AMSTERDAM. Columns: Index, High, Low, Last, Chg.

Table: BRUSSELS. Columns: Index, High, Low, Last, Chg.

Table: JOHANNESBURG. Columns: Index, High, Low, Last, Chg.

Table: FRANKFURT. Columns: Index, High, Low, Last, Chg.

Table: LONDON. Columns: Index, High, Low, Last, Chg.

Table: MADRID. Columns: Index, High, Low, Last, Chg.

Vertical advertisement on the right edge of the page, partially cut off, containing text like 'Com', 'DODGES', 'LIVING IN', 'NOW PR', 'FOR SA', 'DELIVERY', '1-800-88', 'NEW YORK, C'.

Coming Soon: The All-Russian Big Mac

By Louis Uchitelle
New York Times Staff

MOSCOW — Middle-aged women in white smocks and yellow rubber gloves set in a room at the McDonald's food-processing plant last month, peeling onions and dropping them into buckets.

They are reassigned now, and the onions are gone. So is the machine that sliced them into slabs for hamburgers.

The pickle operation has also disappeared from the plant on the outskirts of Moscow, turned over like the onions to a Russian supplier. In this case, a farm that grew and sold cucumbers to McDonald's now also pickles them, then cuts and delivers the pickles in Russian-made plastic bags.

As quickly as possible, McDonald's, which opened its first restaurant in what was then the Soviet Union two years ago, is making the transition from preparing all its own foods to buying them, at less cost, from Russian firms.

The changeover is not simply a vote of confidence in Russia but an essential step, McDonald's officials say, if the restaurant is to keep their food affordable and also make a profit.

"This country offers many sources of supply," said Marc A. Winer, general director of Moscow McDonald's, whose centerpiece is a big, shiny restaurant near the Kremlin that has become a landmark. "You just have to find them, and that takes a lot of legwork."

With its white tables, murals of summer beach scenes and young counter help handling orders, McDonald's is clearly a rarity among

Moscow's 9,000 cafeterias — the norm being slow service and, at times, stale food.

It is also a star among fast-food restaurants, being McDonald's largest restaurant in the world, its biggest purveyor of hamburgers — nearly 30,000 a day — and best staffed.

The 1,200 young people work two to a register and half a dozen constantly mop the floor to show that service is fast and the McDonald's, rose sharply. A Big Mac, for example, rose to 59 rubles, from 28 in late December.

The McDonald's effort to operate as a popular-priced restaurant proceeds on several fronts. Most publicly, the management announced at a news conference on Jan. 31 that as a gesture to loyal customers, it would reduce prices by 28 percent for the rest of the winter, in effect absorbing a new sales tax.

The gesture did not wipe out the restaurant's profit, Mr. Winer said, although he insisted that in Russia, a company in the black today can pass into the red, as it were, tomorrow. "There is a lot of evolution going on in costs," he said.

To keep down costs, Mr. Winer, a 45-year-old former Coca-Cola executive, and his purchasing chief, Vladimir Boras, who is 37 and once worked for McDonald's in Yugoslavia, are signing up Russian suppliers.

McDonald's biggest purchase, of course, is beef. Eight Russian slaughterhouses supplied 1,400 tons last year and the sides of beef were ground and shaped into hamburgers at the processing plant. With the freeing of prices, the slaughterhouse price shot up to 150 rubles a kilogram (2.2 pounds) in January, from less than 30 in December.

McDonald's decided to fight back. Specifically, Mr. Boras and his purchasing staff canvassed cattle feed-lots and soon found some willing to sell livestock at 35 rubles a kilogram. Pressuring the slaughterhouses, McDonald's had reduced its cost to 90 rubles a kilogram by early this month.

"This country offers many sources of supply. You just have to find them, and that takes a lot of legwork."

Marc A. Winer, general director of Moscow McDonald's.

restaurant is clean. But among cafeterias, McDonald's prices are also far and away the highest, a drawback for a restaurant whose mission, Mr. Winer said, is to help feed Russia.

A basic hamburger on a bun with pickle and ketchup, a bag of french fries and tea cost 44 rubles the other day, or more than 45 U.S. cents. That is a princely sum in a city where the average income is 800 rubles to 1,000 rubles a month. By comparison, a meal at a cafeteria nearby — cabbage salad, beef goulash, mashed potatoes, fruit and tea — was 20 rubles.

After price ceilings were lifted in Russia on Jan. 2, cafeteria prices, including those at

ICI '91 Profit Fell 10% With No Relief In Sight

Compiled by Our Staff From Dispatches

LONDON — Imperial Chemical Industries PLC, Britain's biggest industrial manufacturer, on Thursday reported a 10 percent drop in profit in 1991 and said there was little chance of recovery this year.

"It is now clear that all the major chemical companies are being adversely affected by the worldwide recession and the commodity chemicals cycle may not pick up until 1993," said the chairman, Sir Denis Henderson.

Pretax profit dipped in £843 million (\$1.47 billion), compared with a restated £936 million in 1990.

But profit in last year's final quarter jumped to £140 million, from a previous £43 million, as cost-cutting measures helped offset weaker demand.

The group announced an unchanged dividend of 55 pence.

ICI shares dropped 28 pence on the London Stock Exchange to finish at 1282, as investors showed disappointment that the results were at the lower end of expectations.

Sales dropped to £12.4 billion in 1991, from £12.9 billion.

Group profit was again powered by pharmaceuticals, with its newer drugs pushing up earnings by 10 percent to a £538 million.

But tough trading conditions hit other ICI businesses, with unsatisfactory results from specialty chemicals and materials despite a cost-cutting program, Sir Denis said.

Industrial-chemicals trading profit slumped by £70 million to £135 million despite lower costs, reflecting much reduced sales volumes and margins in chemicals and polymers.

Sir Denis said the current restructuring, announced a year ago but made more urgent by a share raid by Lord Hanson of Hanson PLC last May, was in line with targets.

Lord Hanson still holds a 2.8 percent stake in ICI, but last month effectively ended takeover speculation when he said he had no plans to bid.

Sir Denis said that most major world economies ended 1991 on a flat note and that there was very little sign of growth returning in the rich industrialized countries.

"There is little doubt that the coming months will continue to be difficult for most countries and it would not be prudent at this stage to predict when recovery might begin," Sir Denis said.

But he added that ICI would be well-placed to take advantage of the recovery once it started.

(Reuters, UPI)

Investor's Europe					
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40	Thursday Close	Prev. Close	% Change
1750	2700	2000			
1700	2650	1950			
1650	2600	1900			
1600	2550	1850			
1550	2500	1800			
			Thursday	Prev.	%
Exchange	Index	Index	Close	Close	Change
Amsterdam	CBS Trend		125.66	126.40	+0.16
Brussels	Stock Index		5,368.11	5,334.81	+0.57
Frankfurt	DAX		1,749.90	1,737.27	+0.73
Frankfurt	FAZ		708.76	704.29	+0.63
Helsinki	HEX		912.19	912.67	-0.05
London	Financial Times 30		1,398.70	2,002.00	-0.61
London	FTSE 100		2,562.00	2,566.00	-0.12
Madrid	General Index		264.73	261.31	+1.31
Milan	MBE		1,064.00	1,058.00	+0.57
Paris	CAC 40		1,985.12	1,984.31	+0.40
Stockholm	Affarsvarlden		667.77	958.54	+0.97
Vienne	Stock Index		488.29	488.37	-0.02
Zurich	SBS		648.40	648.00	+0.06

Something for Nothing? Poles Prefer to Pay

Reuters

WARSAW — The Polish government has changed its mind about giving citizens a free share in the country's wealth after a survey showed that most people would prefer to pay for it, the Privatization Ministry said on Thursday.

"The original idea was to give the shares out for free. Now we're envisaging some sort of fee," said Jolanta Szaban, the ministry's public relations manager.

The ministry will recommend that people pay 5 percent to 20 percent of the value of the shares in 15 national investment funds, which are due to take control of 200 large enterprises at the end of May. The funds essentially are closed-end mutual funds.

"People clearly felt that if everyone got something for free they would not appreciate it," Ms. Szaban added.

Ms. Szaban said ministry officials had been surprised and encouraged by the fact that most of those surveyed said they would keep the shares rather than take immediate profits.

The idea for a survey followed criticism of the mass privatization program when it was put to the National Assembly last year. A proposal to give a central role to foreign consultants drew even more fire from deputies.

To reassure skeptics about putting the nation's best assets into foreign hands, Jerzy Thiemie, who heads the Mass Privatization Project, said the ministry would set up a panel of senior Polish professionals to evaluate the consultants and merchant banks running the funds.

Each consultant or bank is to take a 33 percent share in one of the target companies. An additional 27 percent is to be divided between the funds, while staff get 10 percent. The Treasury is to keep 30 percent.

Royal Insurance Group's 1991 Loss Stuns U.K.

Compiled by Our Staff From Dispatches

LONDON — The Royal Insurance Holdings group posted a pre-tax loss last year of £373 million (\$650 million) and will be paying no final dividend, the company said Thursday in an announcement that shocked investors and drove its stock sharply lower.

The loss was double that for 1990.

"No-one was fully prepared" for such bad news, said Youssif Zai, analyst at UBS/Phillips & Drew. Royal Insurance shares plunged 36 pence on the London Stock Exchange, to close at 188, slightly above their low for the day.

Royal's net loss per share bulged to 85.1 pence, compared with 36.2 pence the previous year.

The decision to pay no final dividend reduces the annual dividend per share to 11.25 pence, a decline of 57 percent from the 36 pence paid out in 1990, and a serious event for an insurance company.

Royal's income from policy premiums was down 4 percent to £3.46 billion, against £3.61 billion the previous year.

In Britain, where the 147-year-old company does most of its business, losses amounted to £367 million, against £142 million the previous year, because of soaring defaults on home loans as well as increased thefts and fire-insurance claims.

Richard Gamble, Royal's chief executive, said the losses were mainly caused by the recession that saw claims snowball for mortgage-indemnity policies, where borrowers can no longer pay off mortgage loans. Charges for mortgage-indemnity losses in Britain shot up to £257 million from £10 million in 1990.

Re-insurance, which represents only 5 percent of group business, accounted for £38 million in losses due to payouts for natural catastrophes such as hurricanes and storms, it said.

Royal Insurance restructured its activities last year, firing 1,500 people. It has launched a joint venture in Europe, baptized EPIC, with Fondiaria of Italy and AMB, selling two of its Dutch subsidiaries to EPIC for £166 million and a one-third share in EPIC.

(AFP, UPI)

Good Profit Data Fail to Dispel Midland's Gloom

Compiled by Our Staff From Dispatches

LONDON — Midland Bank PLC surprised investors on Thursday by reporting a £36 million (\$62.5 million) profit instead of a loss, but the bank offered a gloomy outlook and cut its dividend.

The profit for last year was more than triple the £11 million earned in 1990, and it compared with analysts' expectations of a loss between £80 million and £100 million.

But Brian Pearce, Midland's chief executive, said there were almost no hopeful indications to signal a rapid return to acceptable levels of profitability. "Last year was the worst I can remember in my 41 years as a banker," Mr. Pearce said. "This year doesn't look much better."

Provisions for bad debts rose to £903 million £703 million. Mr. Pearce said the level was likely to remain high this year as there were few signs of economic recovery.

Midland cut its dividend to 3.4 pence from 9 pence, but the payout was higher than the 2.7 pence expected by investors. Midland's stock rose 23 pence, to 261 pence, on the London Stock Exchange.

The bank's travel agency, Thomas Cook, was hit by the drop in travel because of the Gulf War and the recession in several world markets, as well as the fall in dollar interest rates. Its profit fell to £9 million from £28 million in 1990.

(Reuters, UPI, Bloomberg)

- Very briefly:**
- British Gas PLC profit last year fell 4.1 percent to £1.16 billion (\$2.02 billion) from £1.21 billion; sales rose to £10.49 billion from £9.49 billion.
 - Western German building activity is likely to grow by only 1.5 percent this year, while in Eastern Germany it should grow by 15 percent, the Confederation of German Builders said.
 - Courtauld Textiles PLC said its pretax profit last year rose to £422.2 million from £40.3 million but the company said it remained cautious about its prospects in 1992.
 - Airbus Industrie won orders from Singapore Airlines for two A-300/310 planes; the airline has ordered 21 of the long-haul twin-engine jets.
 - Statoll, the Norwegian oil company, said net profit for 1991 amounted to 5.4 billion kroner (\$832 million), up from 4.3 billion kroner in 1990, due largely to new provisions for company taxation in Norway.
 - DAG and HBV, German banking trade unions, plan one-day strikes Friday to press pay demands; strikes were set at banks throughout the Saar, in Frankfurt, Munich and Mainz, with token action in Berlin.
 - France's socialist government said it had decided to abandon century-old laws that ban women from working at night. The decision immediately brought protests from trade unions.
- (AFP, Reuters, Bloomberg, AFP)

2d Perrier Takeover Bid Launched

Agence France-Press

PARIS — Exor SA and its allies, Société Générale and the Saint-Louis sugar group, launched a takeover bid Thursday for all the capital of Source Perrier SA, a source at the French Exchanges Association said.

The source said the bid, in compliance with a French order, was being made at a price of 1,475 French francs (\$260) a share, the same price as Nestlé is offering in a takeover bid for Perrier initiated on Jan. 20.

But unlike the Nestlé bid, the one just launched by Exor and its allies includes a commitment to buy all shares offered in response to the bid.

French market authorities on Wednesday had asked the allies to submit a takeover bid before March 4.

DODGES: Made in Nagoya

(Continued from first finance page)

Mitsubishi said of Mr. Recchia: "He is saying aloud what we can't say. It means a lot more coming from an American than from one of us." But others are not so sure. "It never helps to argue back," one senior executive at Toyota said recently.

For Chrysler, the Nagoya plant may be a place to learn some important manufacturing lessons. Though the plant itself is among Mitsubishi Motors' oldest, it has been touted to place many different models on the same production line, an idea that General Motors and others in Detroit want to copy.

Mitsubishi intensifies production of Chrysler's Stealth with Mitsubishi's own new luxury car, the \$25,000 Diamante.

More important, the robots that do much of the assembly work reconfigure themselves automatically to put the steering wheel on the left side of one car, the right side of the next.

One problem the plant's workers are hesitant to talk about is the internationally sensitive issue of auto parts. A walk through the plant suggests that an overwhelming number of components going into the Dodge Stealth were not American. Mitsubishi officials say, however, that they do buy catalytic converters, wheels, glass, carpeting and air bags from the United States.

Chrysler also supplies the plant by shipping transmissions to Nagoya for pickup trucks. With little propping, though, quality-control managers here volunteer that there are frequent quality problems with the shipments. In some batches, 1 percent of the transmissions are defective.

"When we go back to the United States and raise the issue," one engineer said, "the message comes back that they think 1 percent defect ratios are normal. Here, 1 percent is a big, big problem."

The solution? Mitsubishi installs the Chrysler transmissions only in the trucks it ships back to Chrysler; Japanese models get a Japanese transmission. Officially, the company says that the arrangement makes sense because it would be difficult to get a Chrysler transmission serviced in Japan.

Chrysler's presence in Japan is minuscule. Last year it sold roughly 1,000 cars here, the worst sales record of any of the Big Three, and even far behind Honda of America, which shipped thousands of its American-made cars to Japanese showrooms.

Mr. Iacocca argued that the numbers were so low because of the cost of meeting Japanese technical specifications, passing Japanese car inspections, and shipping cars from America to Japan.

LOMBARD ODIER INTERNATIONAL MANAGEMENT (LUXEMBOURG) S.A.

Société Anonyme
Registered office 6, avenue Emile Reuter, Luxembourg
R.C. B 50648

The Board of Directors has resolved that Europe 1992 will distribute a dividend out of the net income from investments which according to the shares outstanding should result in a dividend per share of U.S. \$0.05. The dividend will be paid on March 3, 1992 to the shareholders registered at February 26, 1992.

The Board of Directors
Paying Agents Neumann Bank (Luxembourg) S.A.,
6, avenue Emile Reuter, L-2420 Luxembourg

CS Prime Metal Management Company
société anonyme
56, Grand-Rue, Luxembourg
R. C. Luxembourg B 30 197

To the unitholders of CS PRIME METAL

Decision Concerning Fund Merger

Pursuant to a decision of CS Prime Metal Management Company, with the agreement of Crédit Suisse (Luxembourg) S.A. as Custodian Bank and with the approval of CS Gold Mines Management Company, CS PRIME METAL shall be merged with CS GOLD MINES, a mutual investment fund under Luxembourg law.

It has been decided by the management companies that this merger shall take place on 31 March 1992. It will take the form of a transfer of all assets and liabilities of CS PRIME METAL to CS GOLD MINES, and the issue of corresponding units of CS GOLD MINES to unitholders of CS PRIME METAL. Certificates representing units of CS GOLD MINES will be available from the paying agents ten days after the date of the merger.

The exchange rate will be determined on the date of the merger on the basis of the total net asset values of the respective funds.

Holders of units of CS PRIME METAL are requested to deposit their unit certificates by 27 March 1992 with a paying agent (any Credit Suisse branch office in Switzerland, at Crédit Suisse [Luxembourg] S.A. in Luxembourg, Schweizerische Kreditanstalt [Deutschland] AG in Frankfurt am Main or Crédit Suisse [France] in Paris). Investors depositing unit certificates before this date may specify whether they wish to receive a cash refund instead of units of CS GOLD MINES. The refund will be payable as from 3 April 1992 through the paying agent with which the unit certificates were deposited.

Units represented by unit certificates deposited up to 27 March 1992 will be exchanged for units of CS GOLD MINES at the rate of exchange calculated on the day of the merger. A cash refund will be paid for any remaining fraction of a CS GOLD MINES unit.

The exchange of unit certificates deposited after the date given above will be based on the respective denominations of unit certificates; the unitholders will be issued with that number of CS GOLD MINES units which corresponds as closely as possible to the value of the certificates of units of CS PRIME METAL on the day of the merger. Unit certificates will be exchanged only if they together correspond to at least one unit of CS GOLD MINES; a cash refund, based on the price applicable on the day of the merger, will be paid for remaining fractions of units.

On the date of the merger, ownership of units of CS GOLD MINES passes collectively to the current holders of CS PRIME METAL units, and the new unit certificates will be distributed by the Custodian Bank with the assistance of the paying agents. The redemption of units of CS GOLD MINES may be requested at their net asset value on any banking day at the offices of the Custodian Bank or the paying agents. The conditions set forth in the sales prospectus of CS GOLD MINES shall be applicable; the sales prospectus is available upon request at the offices of the paying agents.

CS Gold Mines Management Company and the sales offices have further agreed that fractions of units, which in principle are eligible for a cash refund, may be invested (against payment of the difference) in an additional unit of CS GOLD MINES without being subject to an issuing fee or an agency commission.

CS Prime Metal Management Company
CS Gold Mines Management Company
Crédit Suisse (Luxembourg) S.A.

CS Euro Finance Fund Management Company
société anonyme
56, Grand-Rue, Luxembourg
R. C. Luxembourg B 30 195

To the unitholders of CS EURO FINANCE FUND

Decision Concerning Fund Merger

Pursuant to a decision of CS Euro Finance Fund Management Company, with the agreement of Crédit Suisse (Luxembourg) S.A. as Custodian Bank and with the approval of CS Euro Blue Chips Management Company, CS EURO FINANCE FUND shall be merged with CS EURO BLUE CHIPS, a mutual investment fund under Luxembourg law.

It has been decided by the management companies that this merger shall take place on 31 March 1992. It will take the form of a transfer of all assets and liabilities of CS EURO FINANCE FUND to CS EURO BLUE CHIPS, and the issue of corresponding units of CS EURO BLUE CHIPS to unitholders of CS EURO FINANCE FUND. Certificates representing units of CS EURO BLUE CHIPS will be available from the paying agents ten days after the date of the merger.

The exchange rate will be determined on the date of the merger on the basis of the total net asset values of the respective funds.

Holders of units of CS EURO FINANCE FUND are requested to deposit their unit certificates by 27 March 1992 with a paying agent (any Credit Suisse branch office in Switzerland, at Crédit Suisse [Luxembourg] S.A. in Luxembourg or Schweizerische Kreditanstalt [Deutschland] AG in Frankfurt am Main). Investors depositing unit certificates before this date may specify whether they wish to receive a cash refund instead of units of CS EURO BLUE CHIPS. The refund will be payable as from 3 April 1992 through the paying agent with which the unit certificates were deposited.

Units represented by unit certificates deposited up to 27 March 1992 will be exchanged for units of CS EURO BLUE CHIPS at the rate of exchange calculated on the day of the merger. A cash refund will be paid for any remaining fraction of a CS EURO BLUE CHIPS unit.

The exchange of unit certificates deposited after the date given above will be based on the respective denominations of unit certificates; the unitholders will be issued with that number of CS EURO BLUE CHIPS units which corresponds as closely as possible to the value of the certificates of units of CS EURO FINANCE FUND on the day of the merger. Unit certificates will be exchanged only if they together correspond to at least one unit of CS EURO BLUE CHIPS; a cash refund, based on the price applicable on the day of the merger, will be paid for remaining fractions of units.

On the date of the merger, ownership of units of CS EURO BLUE CHIPS passes collectively to the current holders of CS EURO FINANCE FUND units, and the new unit certificates will be distributed by the Custodian Bank with the assistance of the paying agents. The redemption of units of CS EURO BLUE CHIPS may be requested at their net asset value on any banking day at the offices of the Custodian Bank or the paying agents. The conditions set forth in the sales prospectus of CS EURO BLUE CHIPS shall be applicable; the sales prospectus is available upon request at the offices of the paying agents.

CS Euro Blue Chips Management Company and the sales offices have further agreed that fractions of units, which in principle are eligible for a cash refund, may be invested (against payment of the difference) in an additional unit of CS EURO BLUE CHIPS without being subject to an issuing fee or an agency commission.

CS Euro Finance Fund Management Company
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NYSE

Thursday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Stock	Chg	High	Low	Vol	Open	Close
IBM	+1.25	115.75	114.50	1,200,000	114.50	115.75
Microsoft	+1.00	45.00	44.00	800,000	44.00	45.00
Apple	+0.75	35.00	34.25	600,000	34.25	35.00
Oracle	+0.50	25.00	24.50	400,000	24.50	25.00
Amazon	+0.25	15.00	14.75	200,000	14.75	15.00
Alibaba	+0.10	10.00	9.90	100,000	9.90	10.00
Google	+0.15	12.00	11.85	150,000	11.85	12.00
Facebook	+0.20	8.00	7.80	120,000	7.80	8.00
Twitter	+0.10	6.00	5.90	80,000	5.90	6.00
LinkedIn	+0.05	4.00	3.95	60,000	3.95	4.00
Slack	+0.15	3.00	2.85	40,000	2.85	3.00
Zoom	+0.10	2.50	2.40	30,000	2.40	2.50
Dropbox	+0.08	2.00	1.92	20,000	1.92	2.00
SendGrid	+0.12	1.50	1.38	15,000	1.38	1.50
MailChimp	+0.05	1.20	1.15	10,000	1.15	1.20
HubSpot	+0.08	1.00	0.92	8,000	0.92	1.00
Marketo	+0.10	0.80	0.70	6,000	0.70	0.80
Constant Contact	+0.05	0.60	0.55	4,000	0.55	0.60
ActiveCampaign	+0.08	0.50	0.42	3,000	0.42	0.50
ConvertKit	+0.10	0.40	0.30	2,000	0.30	0.40
GetResponse	+0.05	0.30	0.25	1,500	0.25	0.30
Infusionsoft	+0.08	0.20	0.12	1,000	0.12	0.20
Ontraport	+0.10	0.15	0.05	500	0.05	0.15
SumoMe	+0.05	0.10	0.05	300	0.05	0.10
OptinMonster	+0.08	0.08	0.02	200	0.02	0.08
Unbounce	+0.10	0.05	0.00	150	0.00	0.10
Leadpages	+0.05	0.05	0.00	100	0.00	0.05
ClickFunnels	+0.10	0.05	0.00	50	0.00	0.10
GoHighLevel	+0.15	0.05	0.00	20	0.00	0.15
Systeme.io	+0.20	0.05	0.00	10	0.00	0.20
Kajabi	+0.25	0.05	0.00	5	0.00	0.25
Podia	+0.10	0.05	0.00	2	0.00	0.10
Thinkific	+0.15	0.05	0.00	1	0.00	0.15
Udacity	+0.20	0.05	0.00	0	0.00	0.20
Udacity	+0.25	0.05	0.00	0	0.00	0.25
Udacity	+0.30	0.05	0.00	0	0.00	0.30
Udacity	+0.35	0.05	0.00	0	0.00	0.35
Udacity	+0.40	0.05	0.00	0	0.00	0.40
Udacity	+0.45	0.05	0.00	0	0.00	0.45
Udacity	+0.50	0.05	0.00	0	0.00	0.50
Udacity	+0.55	0.05	0.00	0	0.00	0.55
Udacity	+0.60	0.05	0.00	0	0.00	0.60
Udacity	+0.65	0.05	0.00	0	0.00	0.65
Udacity	+0.70	0.05	0.00	0	0.00	0.70
Udacity	+0.75	0.05	0.00	0	0.00	0.75
Udacity	+0.80	0.05	0.00	0	0.00	0.80
Udacity	+0.85	0.05	0.00	0	0.00	0.85
Udacity	+0.90	0.05	0.00	0	0.00	0.90
Udacity	+0.95	0.05	0.00	0	0.00	0.95
Udacity	+1.00	0.05	0.00	0	0.00	1.00

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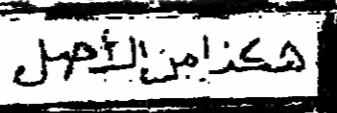
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Qantas Fears Keating's Program Would Hurt Australia's Airlines

Reuters
SYDNEY — Qantas Airways Ltd., Australia's international carrier, warned Thursday that the country's aviation industry could fragment, losing its long-term competitiveness, as a result of changes announced by Prime Minister Paul Keating.

"We have reached a most crucial crossroads — probably the most critical in our industry's history — and we will pay a high price for the taking the wrong turn," said John Ward, chief executive of the government-owned airline.

Under the aviation changes announced by Mr. Keating in his economic statement Wednesday, Australia and New Zealand would become a single airline market by 1994, with domestic and international carriers operating in both countries.

Qantas, currently prohibited from flying domestic routes,

would initially be allowed to sell spare seats to domestic passengers and eventually operate domestic services. Cross-investment between Qantas and domestic airlines would be allowed.

Foreign carriers would be allowed interline rights, enabling them to carry international passengers around Australia.

Mr. Ward said that Australia must avoid creating a situation where two or three small Australian carriers are competing against one large foreign carrier with far greater resources.

But aviation analysts welcomed the reforms as overdue and said they could lead to the merging of Australian and New Zealand airlines.

"It's an intelligent and sensible rationalization of the Australian aviation industry," said Peter Harrison of BDW Aviation Services. He said the immediate effect of Mr. Keating's plan would be to stimulate the privatization of both government-owned airlines, Qantas and Australian Airlines. The government plans to sell 49 percent of Qantas and all of Australian Airlines.

The budget-priced Compass Airline became the first casualty of Australia's deregulated skies when it went into liquidation in December.

"The government will need to take care it does not fragment Australia's resources while the world is going the other way," said Mr. Ward. "This would not only weaken our current position, but would risk Australia's long-term participation in international aviation."

Mr. Keating, announcing the changes, said, "The new policy will encourage greater competition, both domestically and internationally, and the development of a more robust, integrated and internationally competitive aviation sector."

Compiled by Our Staff From Dispatches
TOKYO — Bridgestone Corp., the big Japanese tiremaker, said Thursday that its 1991 earnings rose about 64.4 percent from 1990 income, but most of the gain came from land sales in Japan that offset operating losses in the United States and Europe.

Consolidated net income, based on preliminary data, rose to 7.4 billion yen (\$57 million) from 4.5 billion yen in 1990. Final figures are to be available next week. The parent company's net profit rose to 62.93 billion yen from 52.06 billion. The increase reflected land sales in Japan, which generated extraordinary profit of nearly 28 billion yen.

A Bridgestone spokesman said losses in Europe and the United States came to about \$50 million. While refusing to give a breakdown, he said Bridgestone was more deeply in the red in the United States, where it is still digesting the purchase and subsequent restructuring of Firestone Tire & Rubber Co. acquired in 1988. He also noted the weak U.S. economy, which limited car sales.

Consolidated revenue fell about 1 percent, to 1.76 trillion yen, while parent sales were up 2 percent, to 736 billion yen.

The company forecast an improvement at Firestone this year that would lift overall results while parent profit was projected to fall 37.4 percent, to 40 billion yen. Consolidated net profit is expected to shoot up to 20 billion yen.

Bridgestone plans parent company capital spending of 86 billion yen in 1992, up from 58.60 billion a year earlier, mainly for improvement in production facilities, research and development.

(AFP, Bloomberg, Reuters)

Bridgestone Land Sales Boost Profit

Taiwan Plans to Block Some Projects in China

Reuters
TAIPEI — Taiwan will block investments in China by Taiwanese-based automakers, high-technology companies and other strategic industries, the government announced Thursday.

Economics Minister Vincent Siew ordered departments to tighten controls on overseas investment after several major auto and electronics companies said they were planning projects in China.

Mr. Siew said investment in China would be banned for 18 industries that the government considers vital for long-term economic development. They include automobiles and parts, high-definition television and aerospace.

"Industry is the root of our economic development," he said. "We cannot let our hard-won strategic technology flow to the Chinese mainland."

Taiwan fears that its investment in China could intensify competition from Chinese companies, which have become major rivals in world markets, and expose Taipei to political pressure by Beijing.

Economists estimate at least \$3 billion of Taiwan investment has poured into China since political tension between the governments began easing in the late 1980s.

Taipei has allowed local companies to manufacture nearly 3,700 products in China, but they are mostly in low-technology consumer industries such as clothing and bicycles.

Taiwan businessmen have been putting increasing pressure on the government to permit capital-intensive, high-technology investment in China.

The Investment Commission said companies would be punished with fines and other administrative sanctions if they went ahead with projects without approval.

Japanese in Joint Venture For Thailand Steel Plant

Agence France-Press
BANGKOK — Siam Cement Co., part of Thailand's biggest industrial group, has joined three Japanese companies to form the country's first steelmaking venture, Thai officials said Thursday.

The joint venture with the electric-furnace steelmaker Yamato Kogyo Co. and two big trading companies, Mitsui & Co. and Sumitomo Corp., plans to build a 6 billion baht (\$240 million) plant in southeast Thailand.

The new company, to be capitalized at up to 3 billion baht, will be 51 percent-owned by Siam with Yamato holding 33 percent, Mitsui 12 percent and Sumitomo 4 percent, the officials said.

In Tokyo, Yamato said the plant would have an annual capacity of 600,000 metric tons of steel construction materials, mainly H-beams, once it started operating in 1995.

Thai Stocks Skittish Ahead of Vote

Bloomberg Business News
BANGKOK — Political tensions and uncertainty ahead of elections next month could lead to an across-the-board decline in Thai stock prices, with the Securities Exchange of Thailand Index testing 700 early next week, traders and analysts said Thursday.

The general elections on March 22 could return Thailand to democratic rule one year after the military removed the government of Prime Minister Chatchai Choonavan.

The SET index fell 19.79 points Thursday to close at 780.18, with

six times as many shares losing value as those gaining. Volume was moderate despite five new listings.

"Political uncertainty is the key factor," said an analyst with Dhana Siam Finance & Securities.

"This exact conflict," the analyst added, saying that since the coup, "people have become more afraid of the military's power." The military has long had a heavy influence on Thai politics.

The SET index could be volatile until the elections, ranging between 760 and 840, "if you're optimistic," the Dhana Siam analyst said.

The five new listings Thursday received mixed receptions.

The cable-television operator International Broadcasting Corp. closed at 151 baht (\$5.92) a share, up from the underwriting price of 103. Thai Granite closed at 86 baht, up from an issue price of 63.

United Foods Co. closed at 71 from 50. The plastic-sheeting maker Thai Nam Plastics Co. closed at 61.5 baht, from an issue price of 50, while the seafood exporter Kiang Huat Seagull Trading Frozen Foods Co. closed at 155 from 140.

Investor's Asia

Exchange	Index	Change	Point	%
Hong Kong Hang Seng	4,895.13	+209	4.4	
Singapore Straits Times	1,771.51	+12.42	0.7	
Tokyo Nikkei 225	21,334.77	+1,364.77	6.4	
Kuala Lumpur Composite	688.56	+69.35	10.1	
Manila SET	788.58	+79.97	10.1	
Seoul Composite Stock	824.35	+21.42	2.6	
Taipei Weighted Price	5,019.22	-495.50	-9.9	
Jakarta Composite	2,261.17	-1,183.82	-52.3	
Jakarta Stock Index	280.14	-280.50	-1.0	
New Zealand NZSE-40	1,495.11	-1,509.87	-0.8	
Sydney National Index	N.A.	1,209.79		

Sources: Reuters, AFP
 International Herald Tribune

Very briefly:

- The Hang Seng Index, Hong Kong's market barometer, surged 2.09 percent, to a record 4,895.13, on heavy institutional buying led by demand for HSBC Holdings, parent of Hongkong & Shanghai Banking Corp.
- South Korea, about to be taken to the General Agreement on Tariffs and Trade over discriminatory duties on Scotch whisky, won a last-minute reprieve by offering to negotiate with the European Community.
- Japan Aviation Electronics Industry Ltd. is close to an agreement with U.S. judicial authorities that would allow it to resume selling products using U.S. technology in exchange for admitting to illegal missile part sales to Iraq and paying a fine, Nihon Keizai Shimbun reported.
- The Asian Development Bank will boost loans to China by 40 percent to 60 percent, the bank's vice president, Gunther Schulz, told the China Daily, with planned lending of up to \$800 million this year.
- Thailand's National Legislative Assembly gave final approval to a patent law amendment, demanded by the United States, to provide protection for foreign pharmaceutical products. Reuters, AFP, Bloomberg

NYSE Thursday's Closing

Tables include the nationwide price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Stock	Div	Yield	Low	High	PA	Chg
American Express	2.00	3.3	110.00	110.00	110.00	+0.00
AT&T	1.00	4.0	25.00	25.00	25.00	+0.00
Bank of America	0.75	3.7	20.00	20.00	20.00	+0.00
Citicorp	0.80	4.0	20.00	20.00	20.00	+0.00
Enron	0.50	4.2	12.00	12.00	12.00	+0.00
Exxon	0.50	4.2	12.00	12.00	12.00	+0.00
General Electric	0.75	3.8	20.00	20.00	20.00	+0.00
IBM	1.00	3.8	26.00	26.00	26.00	+0.00
Johnson & Johnson	0.75	3.8	20.00	20.00	20.00	+0.00
Merck	0.75	3.8	20.00	20.00	20.00	+0.00
Morgan Stanley	0.75	3.8	20.00	20.00	20.00	+0.00
Pfizer	0.75	3.8	20.00	20.00	20.00	+0.00
Procter & Gamble	0.75	3.8	20.00	20.00	20.00	+0.00
Shell	0.75	3.8	20.00	20.00	20.00	+0.00
Union Carbide	0.75	3.8	20.00	20.00	20.00	+0.00
Walmart	0.75	3.8	20.00	20.00	20.00	+0.00

Stock	Div	Yield	Low	High	PA	Chg
3M	0.75	3.8	20.00	20.00	20.00	+0.00
Boeing	0.75	3.8	20.00	20.00	20.00	+0.00
Caterpillar	0.75	3.8	20.00	20.00	20.00	+0.00
Deere	0.75	3.8	20.00	20.00	20.00	+0.00
DuPont	0.75	3.8	20.00	20.00	20.00	+0.00
Eastman Kodak	0.75	3.8	20.00	20.00	20.00	+0.00
General Motors	0.75	3.8	20.00	20.00	20.00	+0.00
Intel	0.75	3.8	20.00	20.00	20.00	+0.00
International Business Machines	0.75	3.8	20.00	20.00	20.00	+0.00
Kellogg	0.75	3.8	20.00	20.00	20.00	+0.00
Kimberly-Clark	0.75	3.8	20.00	20.00	20.00	+0.00
Lincoln Financial	0.75	3.8	20.00	20.00	20.00	+0.00
Lockheed Martin	0.75	3.8	20.00	20.00	20.00	+0.00
McDonald's	0.75	3.8	20.00	20.00	20.00	+0.00
Microsoft	0.75	3.8	20.00	20.00	20.00	+0.00
Norfolk Southern	0.75	3.8	20.00	20.00	20.00	+0.00
Novartis	0.75	3.8	20.00	20.00	20.00	+0.00
Occidental Petroleum	0.75	3.8	20.00	20.00	20.00	+0.00
Oracle	0.75	3.8	20.00	20.00	20.00	+0.00
Overseas Union	0.75	3.8	20.00	20.00	20.00	+0.00
Packaging Corp. of America	0.75	3.8	20.00	20.00	20.00	+0.00
PepsiCo	0.75	3.8	20.00	20.00	20.00	+0.00
Pfizer	0.75	3.8	20.00	20.00	20.00	+0.00
Procter & Gamble	0.75	3.8	20.00	20.00	20.00	+0.00
Raytheon	0.75	3.8	20.00	20.00	20.00	+0.00
Rockwell International	0.75	3.8	20.00	20.00	20.00	+0.00
Shutterstock	0.75	3.8	20.00	20.00	20.00	+0.00
Sprint	0.75	3.8	20.00	20.00	20.00	+0.00
Union Pacific	0.75	3.8	20.00	20.00	20.00	+0.00
Verizon	0.75	3.8	20.00	20.00	20.00	+0.00
Walt Disney	0.75	3.8	20.00	20.00	20.00	+0.00
Wendy's	0.75	3.8	20.00	20.00	20.00	+0.00
WorldCom	0.75	3.8	20.00	20.00	20.00	+0.00

NYSE High-Lows

NEW HIGHS	NEW LOWS
AdventCo	Alcoa
Advanced Micro Devices	Allegheny
American Express	Amstar
AT&T	Armco
Bank of America	Baxter
Citicorp	Bechtel
Enron	Berkley
Exxon	Boji
General Electric	Boji
IBM	Boston
Johnson & Johnson	Boji
Merck	Boston
Morgan Stanley	Boji
Pfizer	Boston
Procter & Gamble	Boji
Shell	Boston
Union Carbide	Boji
Walmart	Boston

AMEX High-Lows

NEW HIGHS	NEW LOWS
Alcoa	Allegheny
Armco	Amstar
Baxter	Bechtel
Boji	Boston
Boston	Boji
Boston	Boji
Boji	Boston
Boston	Boji
Boji	Boston
Boston	Boji

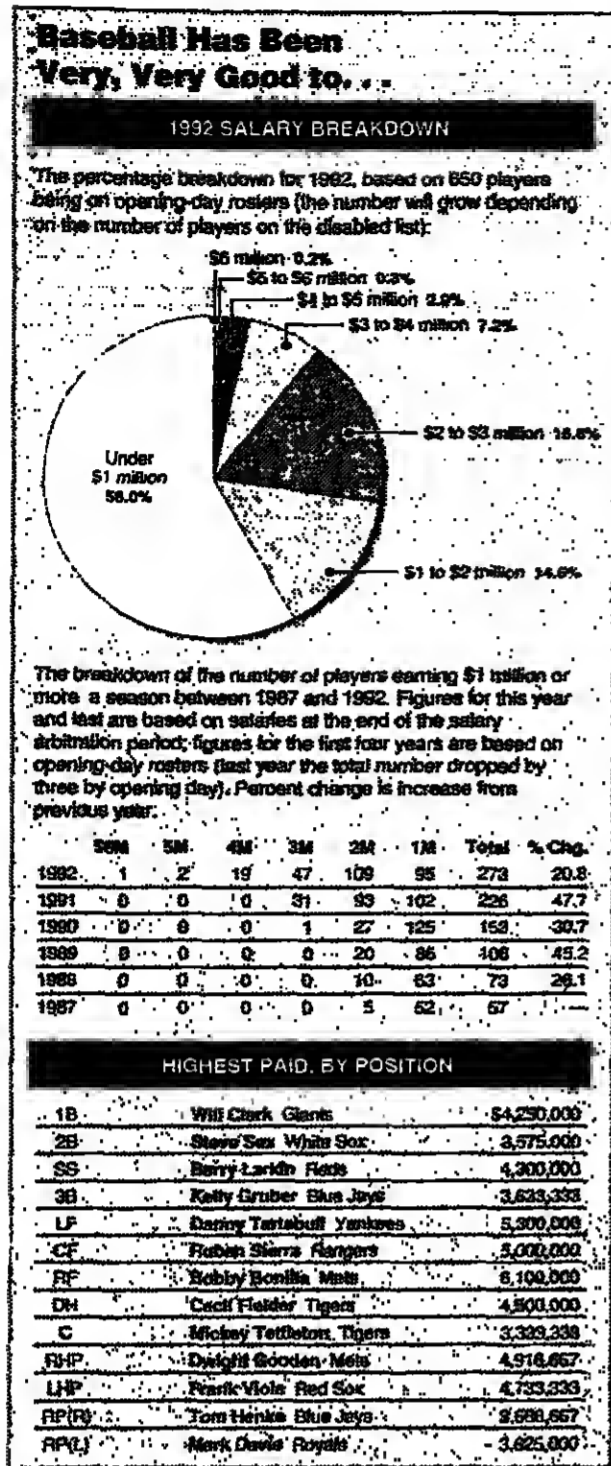
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Australia	0014-881-877	Costa Rica	163	Hungary	00900-01-877	Puerto Rico	1-800-877-8000	United Kingdom	0800-88-0677
Bahamas	078-11-0014	Denmark	8001-0877	Indonesia	00-801-15	San Marino	172-1877	Western Canada	1-800-387-7
Bahrain	1-800-823-0877	El Salvador	181	Ireland	1-800-85-2001	Singapore	800-0577	Venezuela-English	800-111-1-0
Brazil	000-8016	Finland	9820-1-0284	Israel	177-102-2727	Spain	900-9019	Venezuela-Spanish	800-1111-1
Canada	1-800-877-9000	France	19-0087	Italy	172-1877	Sweden	020-790-011		
Chile	00-0517	Germany	0130-0013	Japan (KDD)	0559-131	Switzerland	185-9777		
Colombia-English	980-13-0010	Ghana	185	Japan (DDI)	0088-55-877	Taiwan	0800-14-877		

SPORTS A DYNASTY ENDS

A Zillionaire at the Bat



Yankees to Have 16 Earning \$1 Million

By Murray Chass
New York Times Service

NEW YORK — Continuing to forge stunning new economic ground, major league baseball clubs will pay more than 40 percent of their players \$1 million or more this year. Barring trades, the Yankees will have the greatest number of those players on any one team, 16.

With the salary-arbitration season completed and only lower-paid players left to be signed, 273 players are set to earn \$1 million or more in 1992, a 21-percent increase over the 226 who were in that position at the close of salary arbitration a year ago.

Based on a total of 650 players on the 26 opening-day rosters (although a few of the millionaires will open on the disabled list), 42 percent will earn \$1 million or more.

This will be the first season that any player earns \$4 million or more, and 22 are scheduled to earn that much, including Danny Tartabull of the Yankees and Rubén Sierra of Texas at \$5 million or more and Bobby Bonilla of the Mets beyond \$6 million.

The figures include salary and the pro-rated share of a signing bonus and any other guaranteed payment.

Except for third base, the Yankees could field a starting lineup of million-dollar players, complete with a five-man starting pitching rotation and a three-man relief corps. A year ago, the Yankees had 11 players at or over the \$1 million level.

Gene Michael, the Yankees' general manager, chose not to dwell on the number of million-dollar players. "That's coincidental," said the former shortstop, whose highest salary as a player was \$62,000. "We're not No. 1 on the payroll. That's the way I look at it. We're in the upper third, but we're not No. 1."

By comparison, the Mets, with the year's highest-paid player, Bonilla at \$6.1 million, have 11 million-dollar players but are in position to have the highest payroll at more than \$44 million.

They have a major-league-high seven players who will earn more than \$3 million; the Yankees have only two such players.

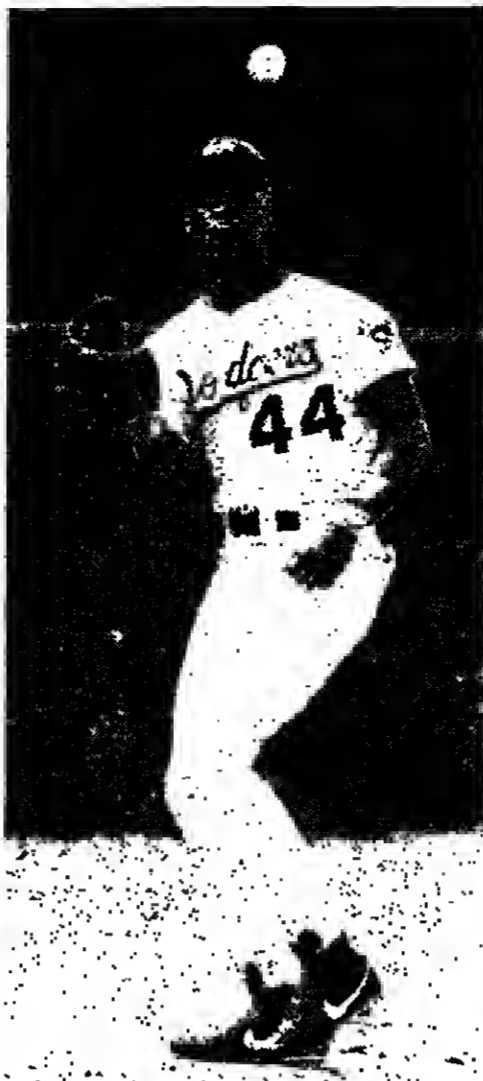
Boston, Toronto and Los Angeles all have 15 players at \$1 million or more. Oakland and Cincinnati have 14 apiece. In all, nine National League teams and eight American League teams are in double digits in the category.

Cleveland, whose winter activity seemed geared to emerging with the lowest major league payroll, is the only team with no millionaires. The Indians' highest-paid player is Felix Fermín at \$950,000.

The teams closest to the Indians in this regard are the Houston Astros and the Montreal Expos, each with four.

For the second consecutive year, the number of players with salaries between \$1 million and \$2 million decreased, dropping from 125 in 1990 to 102 last year to 95 this year. The higher levels, however, continued to escalate, reflecting the rapid rise that has club owners realize.

The biggest leap in players who earn between \$1



Darryl Strawberry warming up: This year 23 major league players will have higher salaries.

million and \$2 million came in 1990, the figure rising from 86 to 125. Last year, the most dramatic escalation occurred in the \$2 million to \$3 million group (27 to 93) and the \$3 million to \$4 million group (1 to 31).

This year, the \$2 million to \$3 million group rose modestly to 109, and the \$3 million to \$4 million group to 47, but the most significant change came from \$4 million up, where 22 players suddenly soared.

Thirteen of those 22 players are hitters, nine pitchers. Last year, Darryl Strawberry of Los Angeles was the highest paid at \$3.5 million. This year, 23 players have higher salaries.

The Mets have four players at \$4 million or more (Bonilla, Dwight Gooden, David Cone, Eddie Murray), followed by the Pittsburgh Pirates with three (Barry Bonds, Doug Drabek, Andy Van Slyke).

Two teams have two apiece: the Boston Red Sox (Frank Viola, Roger Clemens) and the Texas Rangers (Sierra, Nolan Ryan).

Death of Red Sox Owner Raises Queries on Future

New York Times Service

NEW YORK — Jean R. Yawkey, the majority owner of the Red Sox, a fixture at Fenway Park for almost half a century, has died at Massachusetts General Hospital in Boston, six days after suffering a stroke. She was 83.

Despite reports that she had been in failing health last year, Yawkey continued to attend Red Sox home games.

Yawkey had been a director of the National Baseball Museum and Hall of Fame since 1984, when she became the first, and so far only, woman elected to the board.

As the widow of Thomas A. Yawkey, the multimillionaire sportsman who bought the Red Sox for \$1 million in 1923 and lost an estimated \$10 million trying to build championship teams over the next 44 seasons, Yawkey saw it as her duty to live up to his free-spending ways after his death in 1976.

For a while, however, it appeared that the team would fall into other, less generous hands. And there are concerns now that Yawkey's will may be challenged.

In 1978, the Yawkey estate was on the verge of selling the team to a syndicate formed by Haywood C. Sullivan, a Red Sox executive, and the team's former trainer, Edward G. (Buddy) LeRoux Jr., with Jean Yawkey as a limited partner.

But the deal was so heavily leveraged that it failed to win the approval of the baseball commissioner or until Yawkey, who put up the Fenway real estate as part of her stake, agreed to join the group as the third general partner. At the time of the transaction, the club was valued at \$20 million.

The arrangement proved stormy almost from the start, with LeRoux pressing for measures that would earn profits for the partnership and Yawkey just as determined to continue operating the team in the grand Yawkey tradition.

Sullivan for the most part sided with Yawkey, and LeRoux was increasingly isolated.

The division turned into a public rift in 1983 when LeRoux, allied with several minority partners, tried to take over the team. Yawkey and Sullivan quickly and repeatedly bested him court, and LeRoux and

his partners were forced to sell their interest to Yawkey and Sullivan.

After the deal was concluded in 1987, Yawkey held a two-thirds interest to Sullivan's one-third share, and she was very much in charge from then on, relegating Sullivan to little more than a figurehead.

Although Yawkey's business adviser, and presumptive heir, John Harrington, the president of JRY Corp., which holds the Yawkey Red Sox shares, was often mistaken for the real power behind the franchise, those close to the club insisted that Harrington was merely the prime minister and Yawkey was always the queen.

Like her husband, who saw his team win three pennants but never a World Series championship, Yawkey, too, was denied the ultimate goal.

During her tenure, the Red Sox won the American League East three times, but in their only World Series appearance, lost to the Mets in 1986.

SIDELINES

Rose May Apply for Reinstatement

NEW YORK (AP) — Pete Rose says he may apply for reinstatement to baseball by the end of the year.

"It's possible," he said after taping an interview with NBC on Wednesday night. "The longer I wait, the better my chances. But I'm sure I'll apply in the next few years."

Commissioner Bart Giamatti banned Rose in August 1989 for betting on baseball. The all-time hits leader and former Cincinnati Reds manager can't be elected to the Hall of Fame until he is removed from the permanently ineligible list. That decision must be made by current commissioner Fay Vincent, who took over after Giamatti died.

Inquiry on Tyson Case 'Fixing' Ends

INDIANAPOLIS (AP) — After finding nothing to support a claim that Mike Tyson's rape conviction was fixed, prosecutors have ended their investigation.

"We uncovered no evidence of any improper conduct by or towards any juror," said Rob Smith, a spokesman for the Marion County prosecutor, Jeffrey Modiser.

The prosecutor's office interviewed the 12 jurors and three alternates from the Tyson trial after an Indianapolis attorney reported overhearing a juror say the verdict was "rigged."

For the Record

Magic Johnson says there's a 50-50 chance that he will play next season — either in Europe or the National Basketball Association. (LAT)

John McEnroe, Andre Agassi, Pete Sampras and Rick Leach will play for the United States in its Davis Cup quarterfinal against Czechoslovakia next month, the same foursome that led the United States to a 5-0 victory over Argentina in the opening round. (AP)

Wilt Chamberlain remained hospitalized Thursday after complaining that his heart was racing just before a game between the New York Knicks and Los Angeles Lakers on Wednesday night. (AP)

Reliever Steve Brozoski, 34, a former Cy Young Award winner, is retiring from baseball after the Minnesota Twins let him go over the winter. (AP)

The 1993 Breeders' Cup, a big day in thoroughbred racing, will be held at Santa Anita track in California on Nov. 6 for the first time in seven years. (AP)

BOOKS

THE COMPLETE WORKS OF FRANÇOIS RABELAIS

Translated from the French by Donald M. Frame, 1,067 pages, \$60. University of California Press, 2120 Berkeley Way, Berkeley, Calif. 94720.

Reviewed by Michael Dirda

READERS have never been quite sure about François Rabelais (1494-1553). On the one hand, he has been called the most difficult of all French writers, a sly social critic, and a Renaissance James Joyce pushing language beyond the brink of sense. On the other, actually reading "Gargantua" and "Pantagruel" is a lot like going to a Slovak or Ukrainian wedding in an Ohio steel town, where you pay a dollar to dance with the bride, eat way too much kidbass and drink yourself silly. A lot of fun, but a little goes a long way.

For Rabelais — monk, physician, humanist — nothing succeeds like excess. His giant heroes and their hard-living cronies wallow in the socially, aesthetically and politically incorrect. They're scientist, gluttonous, profane, belligerent, cruel, childish, ingenious, disputatious and completely vulgar.

In 1532, an anonymous work about the "enormous giant Gargantua" appeared in an inevitably colossal success, and Rabelais decided to cash in on its fame. The next year he brought out

"Pantagruel," which relates the fabulous and sometimes fabliau-like exploits of Gargantua's son, focusing on his education in Paris, his friendship with the renegade normal-sized Panurge and their epic battle against the rebellious Dip-soles.

In 1535, this was followed by Rabelais' "The Very Horrific Life of the Great Gargantua, Father of Pantagruel" — again chronicling the upbringing, friendships and wars of his hero. It concludes with the establishment of the renowned Abbey of Theleme, where the only monastic rule is "do what you will."

Like Dickens, like Joyce Rabelais revels in the way people talk. He can make us hear a sophisticated schoolman or a coarse peasant; he can be as ruffled as a troubadour or as grimly and precisely anatomical as William Burroughs.

The next two volumes of Rabelais, the unimaginatively titled "Third Book" (1546) and "Fourth Book" (1552), display a more tatty, intellectual character and have been glossed, with two-inspiring scholarship, by Michael Screech, as reflections of the religious and philosophical skirmishes of Renaissance humanism. The "Third Book" in particular, offers a series of bachelor conversations modeled partly after Plato and Lucian.

Thematically, this third volume zeroes in on Panurge's itch to get married and his fears that he may then be cuckolded. What to do? He consults a doctor, a

jurist, a philosopher, a fool, a witch and keeps getting ambiguous answers.

Unable to resolve his dilemma, Panurge finally sets sail with his friends, in an obvious parody of the Arthurian quest for the Holy Grail, to consult the Divine Bottle, Rabelais' "Fourth Book" relates the company's Gulliverian adventures among strange peoples as they journey toward the oracle.

Then Rabelais died. Nine years later, however, a "Fifth Book" unexpectedly appeared. Most scholars reject it as a fake; others, like Frame, accept that it may be based on Rabelais' rough drafts. All editions print it regardless, for it concludes with the quester reaching the Divine Bottle, where they receive its message: Tinch. Or, drink life to the lees and savor every minute, the very definition of what has been called Pantagruism.

The great virtue of Donald Frame's translation lies in its fidelity to the French, extensive annotations (crucial, I think, in reading a writer as topical and allusive as Rabelais), and an exceptionally large glossary of proper names. All of these come backed by the authority of Frame, for years the leading American scholar of French Renaissance prose. Still, the Columbia professor, who died before he was fully satisfied with his work, sometimes sounds insufficiently musical and a tad low-keyed for his often florid, manic original.

Michael Dirda is on the staff of The Washington Post.

BRIDGE

By Alan Truscott

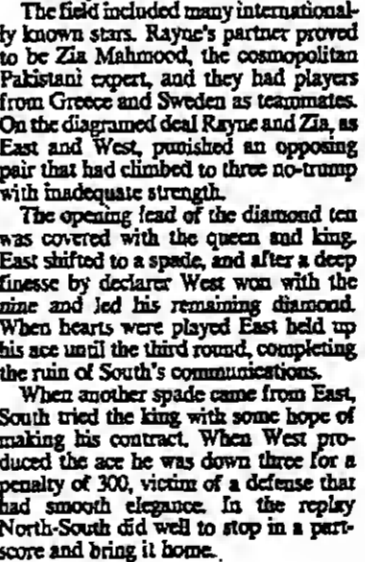
EDWARD Rayne always preserved his love of bridge, and served for many years as chairman of London's Portland Club. Just a week before his death he finished second in a Portland event that would be unusual in any other club: a team contest with the squads decided by lot.

The field included many internationally known stars. Rayne's partner proved to be Zia Mahmood, the cosmopolitan Pakistani expert, and they had players from Greece and Sweden as teammates. On the diagrammed deal Rayne and Zia, as East and West, punished an opposing pair that had climbed to three no-trump with inadequate strength.

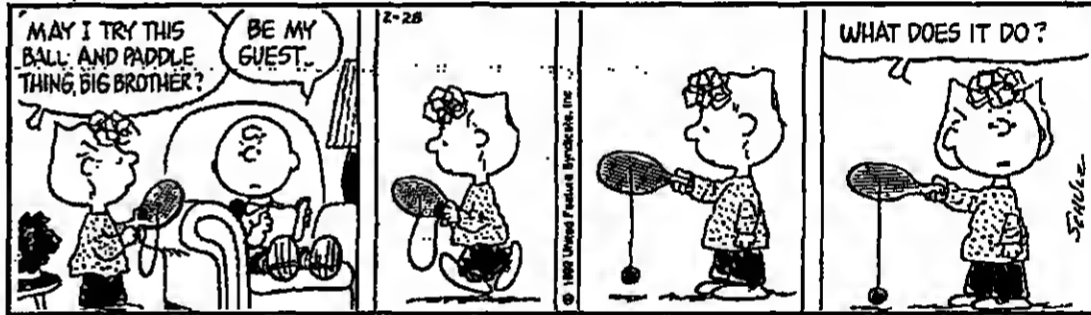
The opening lead of the diamond ten was covered with the queen and deep East shifted to a spade, and after a deep finesse by declarer West won with the nine and led his remaining diamond.

When hearts were played East held up his ace until the third round, concealing the ruin of South's communications.

When another spade came from East, South tried the king with some hope of making his contract. When West produced the ace he was down three for a penalty of 300, victim of a defense that had smooth elegance. In the replay North-South did well to stop in a part-score and bring it home.



PEANUTS



BEEBLE BAILEY



CALVIN AND HOBBES



WIZARD of ID



REX MORGAN



GARFIELD



DOONESBURY



DENNIS THE MENACE



JUMBLE

THAT SCRAMBLED WORD GAME

Unscramble these four jumbles, one letter to each square, to form four ordinary words.

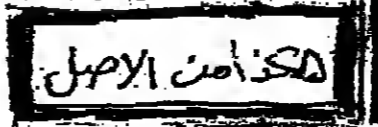
VEROL
LODDY
ENMIRE
GEDDEW

Now arrange the coded letters to form the surprise answer, as suggested by the above cartoon.

Answers (bottom):

Yesterday's Answer: PIANO HAPPY FINEST GURFEN
A boring acquaintance might keep you from being happy, but he might also make you fine-winded.

BLONDIE



SPORTS A SUPER BOWLER

Gooch Leads England Over West Indies



Back to back, Chris Lewis, left, and Ian Botham celebrating England's victory over the West Indies.

MELBOURNE — Captain Graham Gooch scored a stinging 65 Thursday as England cruised to a six-wicket victory over the West Indies in a World Cup cricket match at the Melbourne Cricket Ground.

The victory lifted England level with New Zealand at the top of the standings in the one-day tournament. Both teams have 2-0 records.

In Hobart, a dashing century by Aamir Sohail inspired Pakistan to a 53-run victory over Zimbabwe.

England bowled superbly to restrict the two-time champion West Indies to 157, dismissing the Caribbean team in the final over. Gooch then sparked England to 160 for four in response. The target was reached with a mammoth 10.1 overs to spare.

Makeshift opener Ian Botham failed for the second consecutive time, making only eight from 28 balls. He fell to paceman Winston Benjamin, who also claimed the wicket of Robin Smith for eight.

England scored 38 runs from its first 10 overs, quickly setting the pattern of the innings. Wickets fell, but the Englishmen were always well ahead of the required rate.

Gooch was backed-up by Zimbabwe-born batsman Graeme Hick, who returned to form with an innings of 54. England now has won eight of its last 11 matches against the West Indies.

Gooch sent the West Indians to bat after winning the toss — and the 1975 and 1979 champions were held to the lowest score of the tournament so far.

Opener Desmond Haynes scored 38 while middle-order batsman Keith Arthurton labored to 54 from 101 deliveries, leaving England with a target of 3.16 runs an over for victory.

Chris Lewis and Phillip de Freitas each claimed three wickets for England, while Derek Pringle and Dermot Reeve impressively contained the strangely low-key West Indies batsmen.

Lewis, who was named Man-of-the-Match, struck Brian Lara in the groin with his first delivery of the day and then had him caught behind next ball by Alec Stewart.

Lewis' second victim, edging a catch to Ian Botham at slip in the eighth over. The West Indies never recovered from those dual setbacks.

Haynes offered the only major resistance at the top of the order, scoring 38 from 68 deliveries with five boundaries.

Hurley: The Fire Returns To Duke

Compiled by Our Staff From Dispatches

Two closely related elements have reappeared in top-ranked Duke's lineup.

The first is point guard Bobby Hurley, sidelined for three weeks with a broken toe in his right foot. The second is the Virginia game that Hurley runs so well, which had been largely missing in his absence.

The result was a 76-67 victory Wednesday over the Virginia Cavaliers in Durham, North Carolina.

COLLEGE BASKETBALL

The victory raised Duke's record to 22-2 overall and 12-2 in the Atlantic Coast Conference, and assured the Blue Devils of a tie for first during the regular season. Virginia dropped to 12-12 and 5-8.

Christian Laettner led all scorers with 32 points. Hurley, in 26 minutes of play, had nine assists and one turnover.



Christian Laettner of Duke going up for a two-point basket.

Virginia stayed with Duke stride for stride until more than 7 minutes had elapsed in the second half. That's when Hurley's directorial skills came to the fore.

First, he hit forward Brian Davis with a no-look, fast-break pass that led to a lay-up. Then he fed Laettner inside and passed to guard Thomas Hill for another fast-break basket.

No. 6 Missouri 75, Iowa State 71: Anthony Peeler was 10 for 10 from the free-throw line — including 4 of 4 in the final minute — as the Tigers held off Iowa State in a Big Eight game in Ames, Iowa. Jeff Warren led the Tigers (20-4, 8-3) with 20 points, making 10 of 11 shots from the field. Iowa State (18-9, 4-7) lost for the third straight time despite making 11 3-pointers.

No. 8 Ohio State 71, Purdue 64: In West Lafayette, Indiana, Mark Baker scored 17 points and Jim Jackson had 15 to lead the visiting Buckeyes, as Ohio State (18-5, 10-3) pulled within one game of first-place Indiana in the Big Ten with five games remaining. Purdue (13-13, 5-9) trailed, 61-50, but scored eight straight points and pulled within three on a basket by Woody Austin with 3:53 left. But Ohio State answered with a 3-0 run.

No. 9 Arkansas 82, Auburn 74: In Auburn, Alabama, Todd Day

scored 21 points and Lee Mayberry had 18 as the visiting Razorbacks held off Auburn in a Southeastern Conference game. Arkansas (21-6, 10-3) wasted a 15-point lead in the first half and trailed Auburn (11-13, 4-9) by three with 7:41 minutes to go. But Day tied the game on a 3-point play and Roosevelt Wallace put the Razorbacks ahead for good.

No. 11 Kentucky 74, South Carolina 56: In Lexington, Kentucky, the Wildcats put up 27 3-pointers and made 12, which was enough to beat South Carolina for their sixth straight victory. Deron Feldhans hit three 3-pointers and Richie Farmer sank two during a 17-7 run in the first half that put the Wildcats (21-5, 10-3 in the Southeastern Conference) comfortably ahead. South Carolina (10-14, 2-11) lost its 10th straight game.

No. 14 Oklahoma State 25, Nebraska 14: In Stillwater, Oklahoma, State returned to early season form, getting 17 points and eight rebounds from Byron Houston to defeat visiting Nebraska. The Cowboys (22-5, 6-5 Big Eight) held Nebraska (17-7, 5-6) to 39 percent shooting and limited leading scorer

Eric Piatkowski to five points, nine below his average.

No. 16 Alabama 79, Mississippi State 69: Robert Horry scored 24 points to lead the Crimson Tide to a Southeastern Conference victory at home in Tuscaloosa. Alabama (21-6, 8-5) held on to third place in the Southeastern Conference West behind Arkansas and Louisiana State. The Bulldogs (14-10, 6-7) kept the game close until 10 minutes remained.

Wisconsin 96, No. 17 Michigan 78: In Madison, Wisconsin, freshman Michael Finley scored a career-high 30 points and grabbed 13 rebounds for the Badgers (13-13, 4-9 Big Ten). Michigan (17-7 and 8-6) was led by 21 points from Jalen Rose.

Seton Hall 73, No. 18 Georgetown 71: Bryan Caver dribbled the length of the floor and made a lay-up with 0.3 of a second left to give Seton Hall a Big East Conference victory at East Rutherford, New Jersey. The loss ended a four-game winning streak for Georgetown (17-7, 10-3) and knocked it out of first place in the Big East. Seton Hall (17-7, 9-6) earned its eighth victory in 10 games. (NYT, AP)

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE					
Atlantic Division					
Team	W	L	Pct		
New York	34	21	.618		
Boston	31	25	.554		
Atlanta	27	29	.482		
Philadelphia	25	31	.446		
New Jersey	24	32	.433		
Washington	16	37	.299		
Orlando	12	39	.232		
Central Division					
Chicago	44	11	.800		
Portland	34	22	.608		
Detroit	32	24	.571		
Albany	28	27	.509		
Charlotte	25	29	.463		
Indiana	22	32	.407		
Memphis	17	38	.306		
WESTERN CONFERENCE					
Midwest Division					
Utah	38	17	.688		
San Antonio	32	23	.583		
Phoenix	29	25	.538		
Dallas	16	39	.291		
Minnesota	11	44	.200		
Pacific Division					
Portland	36	14	.714		
Golden State	32	16	.667		
Phoenix	24	21	.529		
L.A. Lakers	22	25	.469		
Seattle	20	28	.417		
L.A. Clippers	19	29	.396		
Sacramento	12	37	.245		
WEDNESDAY'S RESULTS					
Atlanta	91	87	Charlotte	91	88
Los Angeles	102	95	Phoenix	95	92
San Antonio	101	94	Portland	101	94
Washington	95	92	Seattle	95	92
Orlando	92	89	San Antonio	92	89
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POSTCARD

The Language Agenda

By Stephen Kinzer
New York Times Service
When German diplomats appear at international conferences these days, they can no longer be content to deliver speeches in English or French, as has long been their custom. Now they prefer to speak in German.

Chancellor Helmut Kohl has taken a personal role in advocating greater use of German. He recently wrote a letter to Jacques Delors, chairman of the EC Commission, urging that the commission add German as a third official language to the current English and French.

Germany's Large Cultural Shadow

By Michael Z. Wise
Washington Post Service
VIENNA — A year ago, with great dignity and quiet humility, Peter Handke, Austria's foremost living author, awarded the first Grillparzer Prize, an \$18,500 award envisioned as one of the country's most prestigious literary honors.



his real motivation was to obtain state pension benefits. The proprietor of a Vienna shop specializing in folkloric Austrian clothing gathered several thousand signatures on a petition urging the government to turn down an extension of Feymann's contract.

PEOPLE
Beaming In on Posterity

The crew of the original starship Enterprise — Kirk, Spock, Bones and the others — is boldly going where no pop icons have gone before: on display in the Smithsonian's Air and Space Museum in Washington.

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